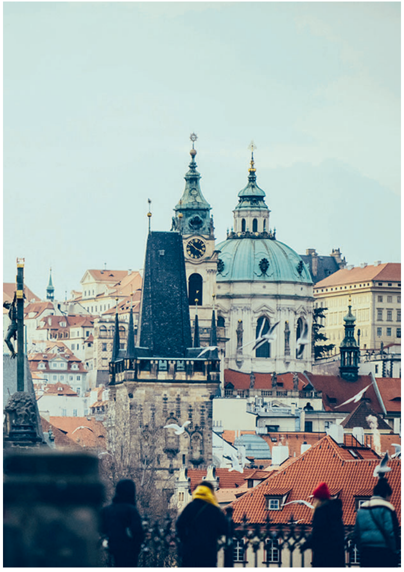


# 2018 Registration Document


# 2018 REGISTRATION DOCUMENT

Amundi is the leading European asset manager in terms of assets under management, and ranks among the top ten worldwide[(1)]. The Group manages €1,425 billion of assets[(2)] and has six main management platforms[(3)]. Amundi offers a wide range of expertise and investment solutions in active and passive management and in real and alternative assets to its clients in Europe, Asia-Pacific, the Middle East and the Americas. Amundi's clients also have access to a comprehensive range of tools and services. Amundi's registered office is in Paris and it has had a stock market listing since November 2015.

Thanks to its unique research capabilities and the talent of its nearly 4,500 employees and market experts based in 37 countries, Amundi provides innovative savings and investment solutions that meet the needs, performance targets and specific risk profiles of its individual customers and institutional and corporate clients.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Registration Document was filed with the French Financial Markets Authority (Autorité des marchés financiers, AMF) on 08 April 2019, in accordance with Article 212-13 of the AMF's General Regulation. It may be used in support of a financial transaction if accompanied by a transaction note approved by the AMF.

This document was prepared by the issuer and its signatories are liable for its content.

Copies of this Registration Document are available free of charge from Amundi's registered office, 91-93 boulevard Pasteur, 75015 Paris, France, as well as on the Company's website (www.amundi.com) and that of the AMF (www.amf-france.org).

*(1) Source: IPE "Top 400 asset managers" published in June 2018 on the basis of assets under management as of December 2017.*
*(2) Amundi data at 31/12/2018.*
*(3) Management platforms: Boston, Dublin, London, Milan, Paris and Tokyo.*

# XAVIER MUSCA

CHAIRMAN OF THE BOARD OF DIRECTORS OF AMUNDI
DEPUTY CHIEF EXECUTIVE OFFICER OF CRÉDIT AGRICOLE S.A.

"In a difficult environment, Amundi maintained a development dynamic which generated significant value for its shareholders."

***In 2018, Amundi achieved its performance targets and maintained a development dynamic which generated significant value for its shareholders.***

In a difficult environment, all investment strategies remained buoyant, and net inflows proved strong enough to offset the negative market impact on assets under management. Its full range of capabilities and international coverage enabled Amundi to find additional levers for growth and conquer new clients. Combined with significantly decreasing operating costs – mainly resulting from achieving the synergies linked to the acquisition of Pioneer Investments – this excellent business performance allowed for a strongly increased net result, generating a 16% rise in dividends, compared to 2017.

Amundi's 2018 performance is proof of the resilience of its business model and effective development strategy. The successful integration of Pioneer Investments as well as the long-term strategic partnership established with UniCredit do strengthen the Group's range of capabilities, expand its distribution channels and reinforce its international scope.

Amundi keeps moving forward in full compliance with Crédit Agricole Group's medium-term development plan–called "2020 Strategic Ambition"- and its active contribution to the "Trajectoires Patrimoine" project proves synergies between Group entities are tangible and effective. Amundi's development is an integral part of Crédit Agricole's universal bank strategy, as it reinforces the quality of the products and services we provide to our clients, our global development and profitability momentum, and our positioning as a committed financial player.

# YVES PERRIER

CHIEF EXECUTIVE OFFICER OF AMUNDI

“Robust results and the successful integration of Pioneer Investments.”

***2018 proved to be an important step in Amundi’s development, for three main reasons.***

First, our Group’s results are once again significantly on the rise. Our net accounting result reaches 855 million euros, up 25.5% from 2017. We owe this to our healthy business performance and to the positive consequences of the synergies that followed the acquisition of Pioneer Investments. We achieved 42 billion euros in net inflows, which represents one of the highest net new money rates in the industry. Our cost-income ratio reaches 51.5% (1), up 0.9 point (2) from 2017. This overall economic performance is all the more remarkable as the 2018 market environment started becoming much tougher as of the second quarter.

Secondly, Amundi also successfully finalised the integration of Pioneer Investments, which reinforced our distribution capabilities, range of expertise and talents. The total amount of synergies to be generated has been increased to 175 million euros – vs the 150 million euros we had planned when the merger was announced – and the implementation is faster than originally expected.

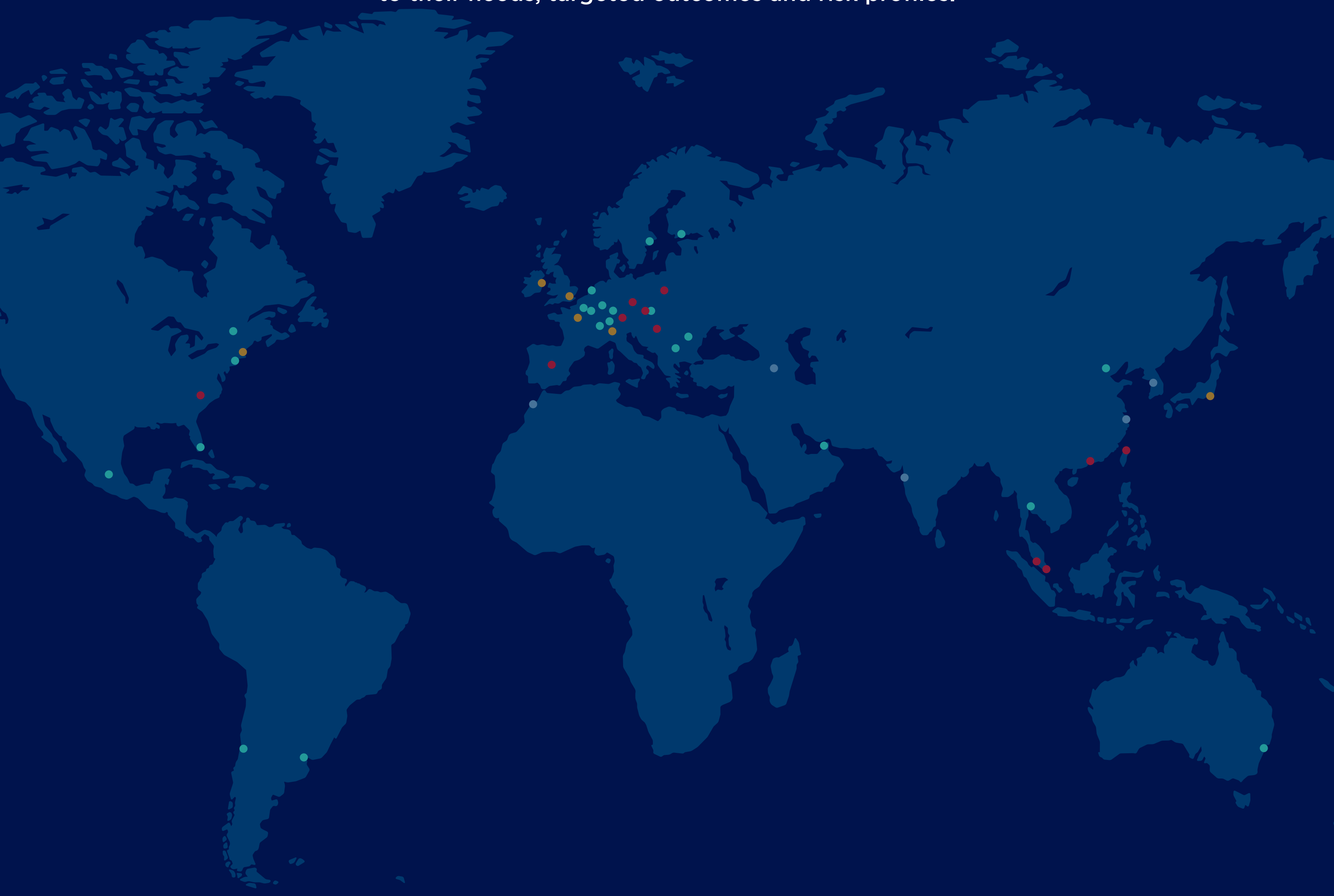
Last but not least, in line with our pioneering and longstanding commitment to responsible investment, we have built an ambitious plan for the next three years, through which we aim to expand our ESG approach into all our investment processes – in addition to classic financial analysis –, to double the amount we invest in specific environmental and social impact initiatives – going from 10 to 20 billion euros –, and to increase our investment in solidarity-based organisations, with *Amundi Solidarité* reaching 500 million euros in assets under management – vs 200 million euros today –. In doing so, Amundi clearly states its goal to be a committed player in all three ESG components: Environmental, Social and Governance.

The Amundi Group is fully prepared to continue on its profitable development path, and starts 2019 with always renewed and reaffirmed ambition.

(1) Adjusted data (excluding amortisation of distribution contracts and excluding costs associated with the integration of Pioneer Investments).
(2) Comparison with combined 2017 data: 12 months Amundi + 12 months Pioneer Investments.

# THE FIRST NON-AMERICAN PLAYER IN THE TOP 10 WORLDWIDE

Thanks to its unique research capabilities and the skills of close to 4,500 team members and market experts in 37 countries, Amundi provides its 100 million clients – Retail, Institutional and Corporate – with innovative investment strategies and solutions tailored to their needs, targeted outcomes and risk profiles.



**100m** clients

**4,500** employees

**37** countries

Amsterdam
Bangkok
Beijing
Boston
Bratislava
Brussels
Bucharest
Budapest
Buenos Aires
Casablanca
Dubai
Dublin
Durham
Frankfurt
Geneva
Helsinki
Hong Kong
Kuala Lumpur
London
Luxembourg
Madrid
Mexico City
Miami
Milan
Montreal
Mumbai
Munich
New York
Paris
Prague
Santiago
Seoul
Shanghai
Singapore
Sofia
Stockholm
Sydney
Taipei
Tokyo
Vienna
Warsaw
Yerevan
Zurich

- Investment hubs
- Local investment centres
- Other Amundi entities
- Joint-ventures

*At 31/12/2018*

# 2018
# KEY FIGURES

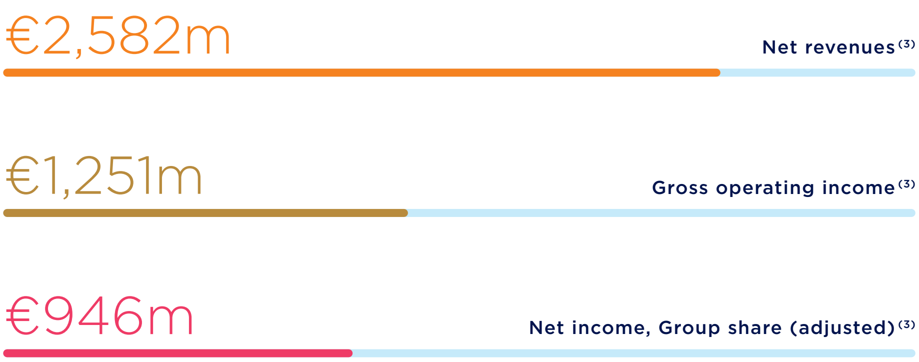
**With €1,425 billion of Assets under Management at the end of 2018, Amundi is Europe's largest asset manager by AuM and ranks in the top 10 [1] globally.**

+€42 bn
Net inflows [2]

€1,425 bn
Assets under Management [2]

€276 bn
Assets under Responsible Investment Management

## Financial results

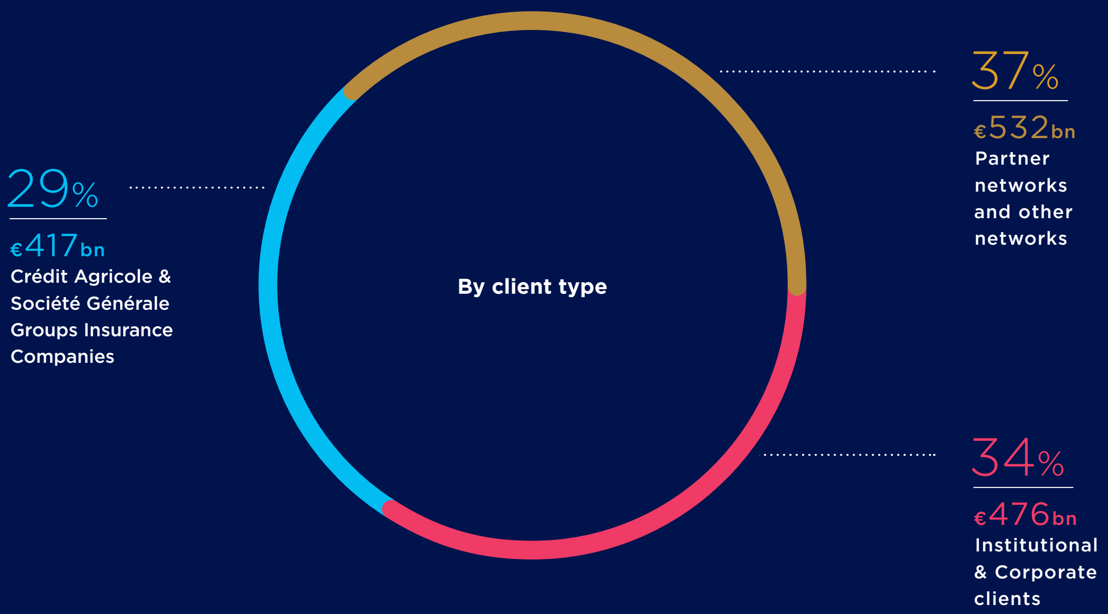




*(1) Source IPE 'Top 400 asset managers' published in June 2018 and based on AuM as of end December 2017.*
*(2) Inflows and assets include assets under management, under advisory and assets sold, and take into account 100% of the Asian joint-ventures' inflows and assets under management. For Wafa in Morocco, assets are reported on a proportional consolidation basis.*
*(3) Adjusted data, excluding the amortisation of distribution contracts and excluding costs associated with the integration of Pioneer Investments.*


# Breakdown of assets

At 31 December 2018



# AMUNDI'S STRATEGIC AMBITIONS

**Thanks to its unique business model, industrial approach and client-centric organisation, the Group has all the assets it needs to pursue its profitable growth, which continues to be organic.**

## Asset management: a changing industry

The asset management industry is characterised by high fixed costs, ongoing investment needs and the dominance of US players. The sector retained long-term growth drivers despite a more challenging market environment in 2018. The continued low interest rate environment, combined with increased uncertainty, weighed on margins and inflows. The year was also marked by increased competition from US players and major technological changes.

**Key success factors in this environment**

Innovating in the design of savings and investment solutions • Delivering performance • Providing clients with a global service (consultancy, reporting, etc.) • Efficient and effective infrastructures (notably IT) • Operational efficiency

## Amundi: a story of development, based on a unique model...

Amundi's story is a story of profitable development, which has led to the creation of a European leader with a global dimension. Combining growth and profitability, Amundi today enjoys an established reputation.

**This development is based on a unique, differentiating strategic positioning:**

A global presence and a diversified asset base by client type, asset class and geography • A client-focused organisation, built around two segments: retail and institutional • A complete offer in active, passive and real asset management • A unique partnership approach with networks and distributors • A high-level technical platform • An efficient industrial model, with a cost-to-income ratio among the lowest in the industry • A highly entrepreneurial culture

## ... and with many growth drivers

Each of Amundi's business lines has a high intrinsic development potential in all the countries where it operates. Amundi also has real know-how in developing distribution partnerships, particularly in Europe and Asia. The Group constantly offers new services, whether for retail investors, networks, distributors or institutional investors, as well as for any financial player seeking to focus on asset management while benefiting from the quality of Amundi's infrastructures. Since its creation in 2010, Amundi has defined Responsible Investment as one of its founding pillars. In October 2018, an ambitious three-year action plan was put in place to bring its engagement to a whole new level and to meet the growing expectations of investors.

# Amundi's ambition is to become one of the leaders in the global asset management industry, based on:

I

the quality of the expertise and services it offers to its clients

II

its strong growth and profitability trends

III

its position as a committed financial player

## ESG OBJECTIVES BY 2021

Amundi will be

100% ESG

in its ratings, investment management and voting policy

x2

Double ESG assets under passive management

x2

Double investment in the social and solidarity economy

# Overview of Amundi

1

# 1.1 KEY FIGURES

| | 2018 | 2017 Combined | 2017 | 2016 Combined | 2016 |
|---|---|---|---|---|---|
| Assets under management at end-December *(in € billions)*[(1)] | 1,425 | 1,426 | 1,426 | 1,329 | 1,083 |
| Net inflows *(in € billions)*[(1)] | +42.0 | +70.6 | - | +60.4 | +62.2 |
| *of which retail* | *+30.7* | *+49.6* | - | *+31.5* | *+34.7* |
| *of which institutional* | *+11.4* | *+21.0* | - | *+28.9* | *+27.5* |
| *of which medium-long term assets* | *+36.3* | *+36.2* | - | *+45.3* | *+45.5* |
| *of which treasury* | *+5.7* | *+34.4* | - | *+15.2* | *+16.8* |
| *of which France* | *(2.9)* | *+19.4* | - | *+16.0* | *+15.9* |
| *of which international* | *+44.9* | *+51.2* | - | *+44.4* | *+46.4* |
| Adjusted net revenue[(2)] *(in € millions)* | 2,582 | 2,722 | 2,301 | 2,533 | 1,694 |
| Adjusted cost-to-income ratio[(2) (3)] *(in %)* | 51.5% | 52.4% | 51% | 55.2% | 51.8% |
| Adjusted pre-tax income[(2)] *(in € millions)* | 1,289 | 1,311 | 1,146 | 1,158 | 844 |
| Adjusted net income, Group share[(2)] *(in € millions)* | 946 | 918 | 800 | 805 | 579 |
| Net income, Group share *(in € millions)* | 855 | 800 | 681 | 794 | 568 |
| Number of shares at year-end *(in millions)* | 201.704 | 201.51 | 201.51 | - | 167.92 |
| Net accounting earnings per share *(in €)*[(4)] | 4.24 | - | 3.54 | - | 3.40 |
| *Net dividend per share (in €)* | *2.90*[(5)] | - | *2.50* | - | *2.20* |

*N.B.:*
*The combined data corresponds to the sum of 12 months of Amundi activity and 12 months of Pioneer activity in 2016 and 2017, thus giving a clear view of the Group's performance on a comparable basis.Some of the data in the above table is not presented, either because it is not available, or because it is irrelevant.*

*(1) Since 2013, assets under management include 100% of the assets under management of the following Asian Joint-Ventures: State Bank of India Fund Management (India), ABC-CA (China), NH-CA Asset Management Co. Ltd (South Korea), and not the sum of the assets representing the stake held by Amundi in each of the Joint-Ventures, to which is added 34% of the assets of Wafa Gestion (Morocco), i.e. pro rata to Amundi's equity interest since Amundi does not have any dedicated employees within this JV, unlike the others. Since 2014, AuM includes the non-managed distributed assets and assets under advisory. A detailed breakdown of the assets by client segment and asset class can be found in chapter 4.*

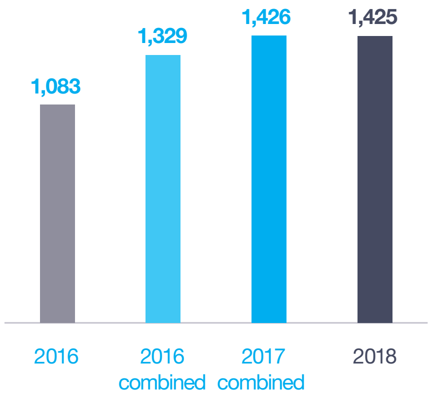
*(2) Adjusted data: restatement of net revenue for the amortisation of the distribution agreements (UniCredit from 1 July 2017, SG and Bawag in 2015, 2016 and 2017), i.e. €71 million before tax and €50 million after tax in 2018, and restatement of 2017 operating expenses for the integration costs of Pioneer (€56 million before tax and €42 million after tax in 2018).*

*(3) Operating expenses/net income.*

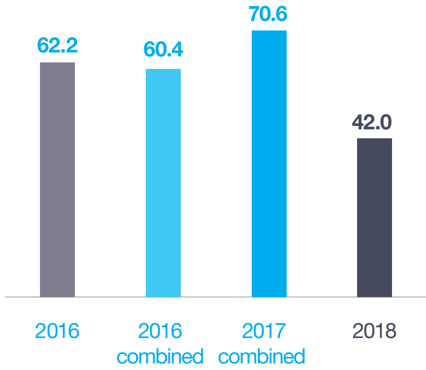
*(4) Accounting net income/Average number of shares for the financial year.*

*(5) Proposed to the Annual General Meeting of 16 May 2019.*

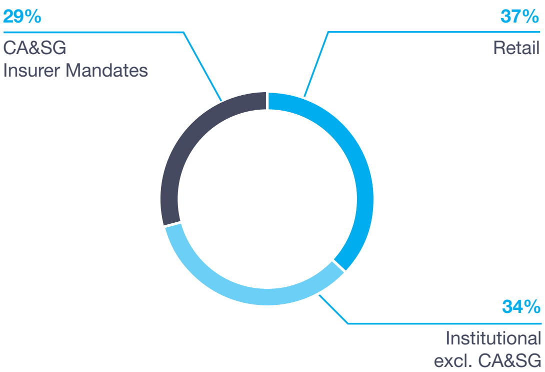
**Assets under management at end-December** *(in € billions)*(1)



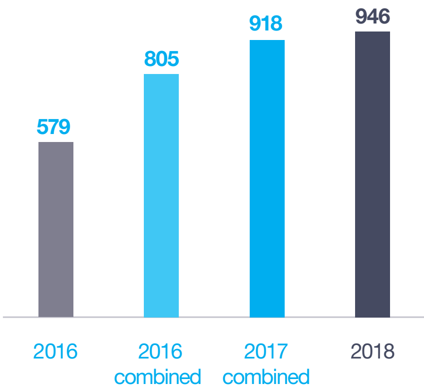

**Net inflows** *(in € billions)*(1)



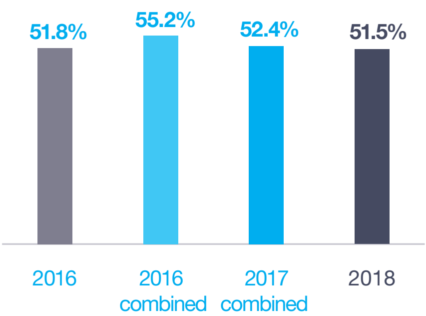

**Breakdown of assets by major client segment at 31/12/2018**



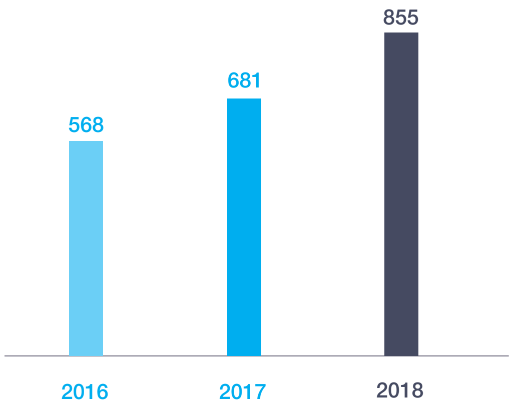

**Adjusted net income, Group share** *(in € millions)*(2)




**Adjusted cost-to-income ratio** *(in %)*(2)




**Accounting net income, Group share** *(in € millions)*




*(1) Assets under management include 100% of the assets under management of the following Asian Joint-Ventures: State Bank of India Fund Management (India), ABC-CA (China), NH-CA Asset Management Co. Ltd (South Korea), and not the sum of the assets representing the stake held by Amundi in each of the Joint-Ventures, to which is added 34% of the assets of Wafa Gestion (Morocco), i.e. pro rata to Amundi's equity interest since Amundi does not have any dedicated employees within this JV, unlike the others. Since 2014, AuM includes the non-managed distributed assets and assets under advisory.*

*(2) Adjusted data: 2015 is presented after restatement for IFRIC 21 applicable from 1 January 2015. The 2015 expenses have been adjusted for IPO expenses, which amounted to €15 million before tax. In addition, in 2015, 2016 and 56: restatement of net revenue for the amortisation of the distribution agreements (UniCredit from 1 July 2017, SG and Bawag in 2015, 2016 and 2017) i.e. €71 million before tax and €50 million after tax in 2018, and restatement of 2017 operating expenses for the integration costs of Pioneer (€56 million before taxes and €42 million after taxes in 2018).*

# 1.2 SHAREHOLDER INFORMATION

## 1.2.1 General information

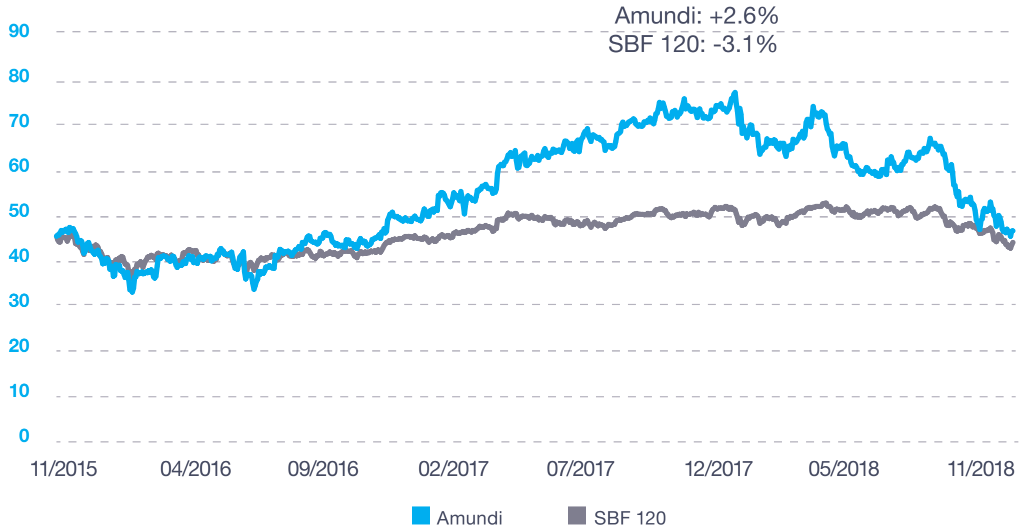
| | |
|---|---|
| ISIN Code | FR0004125920 |
| Ticker (Reuters, Bloomberg): | AMUN.PA, AMUN.FP |
| Flotation price on 11 November 2015 | €45 |
| Price at end-December 2018 | €46.16 |
| Highest price of 2018 *(at closing)* | €76.36 |
| Lowest price of 2018 *(at closing)* | €44.98 |
| Average daily volumes in 2018 *(in number of shares)* | 181k |
| Market capitalisation as of 31 December 2018 | €9,311 million |
| Fitch rating | A+, outlook stable* |

* *Confirmed in June 2018.*

## 1.2.2 Amundi on the stock markets

### CHANGE IN SHARE PRICE FROM 11 NOVEMBER 2015 (INITIAL LISTED PRICE) TO 31 DECEMBER 2018

**Comparison with the SBF 120 index (recalculated using the share price as base)**




*Source: Refinitiv (ex Reuters).*

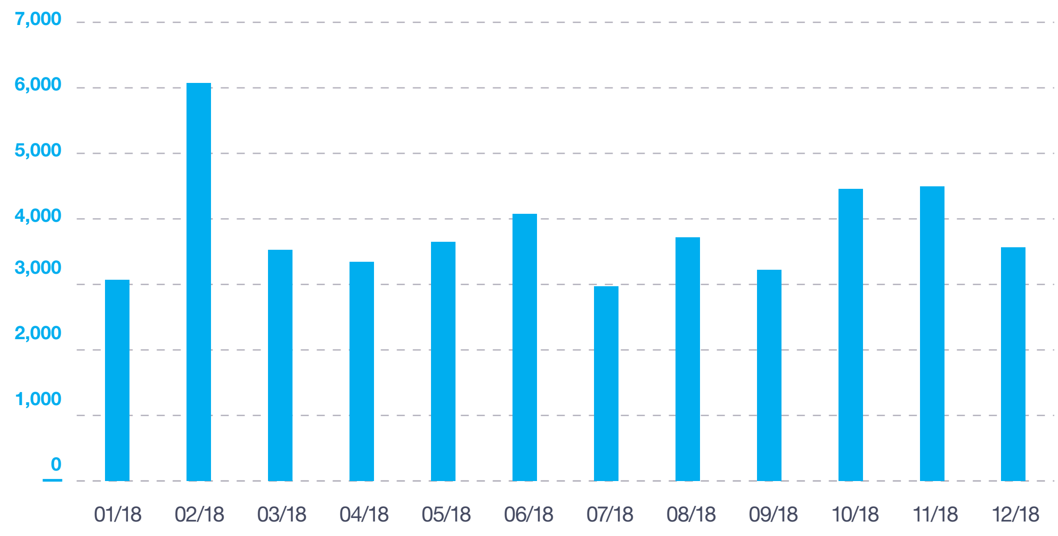
**Initially listed at €45 on 11 November 2015, the Amundi share have performed well since this date** (+2.6%[1]), outperforming listed European peers and the SBF120 index. This trend is tied to Amundi's good operational performance as well as the value creation associated with the consolidation of Pioneer. The TSR[2] is very positive: 20.8%.

As was the case for all securities, Amundi shares had mixed results in 2018, and ended the year at €46.16, in the midst of bear markets, particularly at year-end. The share therefore experienced a drop of -34.7% in 2018, a downward trend that was more pronounced than the overall French market trend (-11.4% for the SBF 120), but not as steep as that of its European peers (-39%). Stock markets had a difficult year in 2018, particularly at year-end. A review of the historical performance of listed asset classes over the past 40 years shows that 2018 was the worst year in this period: 96% of these listed asset classes experienced a negative performance (contrary to 2017), with increased volatility.

Amundi had market capitalisation of €9.3 billion at end-2018. It remains the leader among listed traditional asset managers in Europe and is in the top five worldwide.

*(1) At 31/12/2018.*
*(2) Total Shareholder Return: change in listed price + dividends paid in 2016, 2017 and 2018 + detachment of preferential subscription right in March 2017.*

**Monthly volume of shares traded** *(in thousands of shares traded)*




*Source: Refinitiv. Volumes on Euronext Paris.*

The daily trading volume on Euronext (around 50% of the total, the remainder being traded on alternative platforms like Chi-X or Turquoise) amounted to an average of 181k securities per day in 2018, in comparison to:

- in 2016, an average of 50,000 securities was traded each day;
- in 2017:
  - before the capital increase (10 April 2017): an average of 114k securities were traded each day,
  - after the capital increase: an average of 180k securities was traded each day, *i.e.* up by 57% compared to 2017 before the capital increase.

Low liquidity (24% float until 10 April 2017) acted as a brake for some investors. With a float of nearly 30% at 31 December 2018, liquidity showed noticeable improvement, which helped to attract new investors.

## STOCK MARKET INDICES

The security became part of the French SBF 120 index on 18 March 2016. In November 2017, the share also joined the MSCI index family, thanks to the improved liquidity resulting from the capital increase of April 2017. Amundi is also a member of the RI[1] FTSE4Good index, which reflects its CSR[2] profile (see chapter 3 of this Registration Document).

## RELATIONS WITH SHAREHOLDERS AND THE FINANCIAL COMMUNITY

In addition to the required regulated financial disclosures, Amundi has, since its listing, implemented a policy regarding disclosure and communication with the financial community that is aimed at maintaining a relationship based on trust.

- **quarterly results:** Amundi's senior management presents quarterly results to the market *via* conference calls or in-person meetings;
- **relations with investors and shareholders:** management or the Investor Relations team meet around 400 French and foreign institutional investors during roadshows and at conferences related to the industry or generalist;
- **sell-side analysts:** the Amundi stock is covered by 17 French and foreign brokers. The majority of these brokers see a positive outlook for the Amundi share (14 "buy" ratings, 3 "hold" ratings and 0 "sell" ratings). Their average target price was €65.8 at end-January 2019, amounting to a significant upside potential of +31% compared to the price at 31/01/2019.

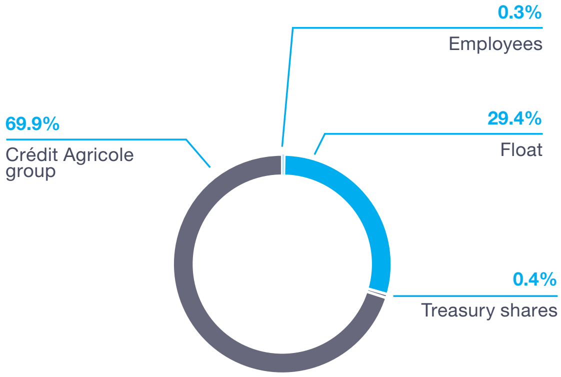
Investor and financial analyst sentiment has remained very positive: the price trajectory since initial listing has highlighted the Group's capacity for growth and the resilience of its results, thanks to its diversified business model. Despite the many challenges facing the asset management sector, Amundi is seen as a sound player with a significant growth outlook.

*(1) RI: Responsible Investment.*
*(2) CSR: Corporate social responsibility.*

## 1.2.3 Information about the share capital and shareholders

At 31 December 2018, the Crédit Agricole group held 69.9% of the share capital, employees held 0.3%, the free float represented 29.4% and treasury shares 0.4% (resulting on the one hand from the share buyback programme launched in November 2018 to cover the commitments made to employees under the performance share plans, and the current liquidity contract on the other). No shareholder has double voting rights.

The free float (29.4% of share capital) mainly consists of institutional investors whose geographical breakdown is the following: English-speaking countries represent 53%, French shareholders 19% and the remainder are found in continental Europe and Asia.




## 1.2.4 Change in share ownership over the past three years

The table below shows changes in the number of Amundi shares and the distribution of share capital over the last three years:

| | At 31/12/2018 | | At 31/12/2017 | At 31/12/2016 |
|---|---|---|---|---|
| **Shareholders** | **Number of shares** | **% of share capital** | **% of share capital** | **% of share capital** |
| Crédit Agricole group | 141,057,399 | 69.9% | 70.0% | 75.6% |
| Employees | 602,329 | 0.3% | 0.2% | 0.2% |
| Float | 59,230,545 | 29.4% | 29.8% | 24.1% |
| Treasury shares | 814,081 | 0.4% | 0% | 0.1% |
| **TOTAL** | **201,704,354** | **100.0%** | **100.0%** | **100.0%** |

## 1.2.5 Recent changes in share capital

The table below shows the changes in the share capital of Amundi over the past five years:

| Date and nature of the transaction | Amount of share capital *(in €)* | Number of shares *(units)* |
|---|---|---|
| Share capital at 31 December 2013 | 416,979,200 | 166,791,680 |
| Share capital at 31 December 2014 | 416,979,200 | 166,791,680 |
| *Share capital increase reserved for employees* | *1,133,893* | *453,557* |
| Share capital at 31 December 2015 | 418,113,093 | 167,245,237 |
| *Share capital increase related to the transfer of Crédit Agricole Immobilier business* | *1,700,580* | *680,232* |
| Share capital at 31 December 2016 | 419,813,673 | 167,925,469 |
| *Capital increase associated with the Pioneer acquisition* | *83,962,732* | *33,585,093* |
| Share capital at 31 December 2017 | 503,776,405 | 201,510,562 |
| *Share capital increase reserved for employees* | *484,480* | *193,792* |
| **SHARE CAPITAL AT 31 DECEMBER 2018** | **504,260,885** | **201,704,354** |

Amundi's share capital since 31 December 2018 has thus amounted to €504,260,885, divided into 201,704,354 shares with a par value of €2.50 each, fully subscribed and paid up, and all of the same class:

- Amundi was created in 2010, through a merger of the asset management firms Crédit Agricole Asset Management and Société Générale Asset Management, following which the Crédit Agricole Group held 75% and Société Générale 25% of the capital. On 7 May 2014, Crédit Agricole S.A. acquired an additional 5% from Société Générale. Since that date and prior to the listing, Société Générale held 20% of Amundi's capital, and Crédit Agricole Group 80%. The number of Amundi shares had not changed since the merger;
- at the time of the listing on 11 November 2015, Société Générale sold its 20% shareholding in full, Crédit Agricole S.A. sold 2% to Agricultural Bank of China and 2.25% as part of the public offering, while Amundi carried out a capital increase reserved for employees, amounting to 453,557 shares, *i.e.* 0.3% of the capital;
- on 27 October 2016, 680,232 new shares were created (0.4% of the share capital), as part of the merger of Amundi Immobilier's specialised management activities with Crédit Agricole Immobilier Investors;
- on 10 April 2017, 33,585,093 new shares were created (20% of the share capital), as part of the financing arrangements for the acquisition of Pioneer;
- on 1 August 2018, 193,792 securities were created as a result of the capital increase reserved for employees, who now hold 0.3% of the share capital. This transaction, which was aimed at strengthening employees' feeling of belonging after the acquisition of Pioneer, was completed within the framework of existing legal authorisations approved by shareholder vote at the AGM of May 2017. The impact of this transaction on net earnings per share was negligible.

## 1.2.6 Dividend distribution policy

Amundi's objective is to distribute an annual dividend to its shareholders representing at least 65% of its consolidated net income, Group share (excluding integration costs relating to the Pioneer acquisition).

Over the past five years, Amundi has distributed the following cash dividends, as shown in the table below:

| | For FY 2018 | For FY 2017 | For FY 2016 | For FY 2015 | For FY 2014 |
|---|---|---|---|---|---|
| Net dividend per share *(in €)* | 2.90(1) | 2.50 | 2.20 | 2.05 | 1.46 |
| Total dividend *(in € millions)* | 583(2) | 504 | 443 | 343 | 244 |
| Dividend payout ratio *(in %)* | 65.3%(3) | 65.5% | 65.0% | 65.0% | 49.7% |

**The Board of Directors has decided to propose a cash dividend of €2.90 per share for 2018 to the Annual General Meeting to be held on 16 May 2019, i.e. +16% compared to 2017.**

This equates to a 65% payout of net income Group share, excluding Pioneer integration costs (based on the number of shares outstanding at end-2018), and represents a 5.9% return on the share price at 8 February 2019 (closing).

The dividend will be distributed as follows:

| | |
|---|---|
| Friday 24 May 2019 | The opening price on the ex-dividend date is reduced by the amount of the dividend |
| Monday 27 May 2019 | Date on which share accounts will determine holders of shares with dividend rights |
| Tuesday 28 May 2019 | Payment of dividend |

## 1.2.7 2019 financial communication calendar

| | |
|---|---|
| 26 April 2019 | Publication of 2019 first quarter results |
| 16 May 2019 | AGM |
| 31 July 2019 | Publication of 2019 first half results |
| 31 October 2019 | Publication of 2019 nine-months results |

(1) *Draft resolution submitted to the AGM of 16 May 2019.*
(2) *Total dividend payable, compared to Net income Group share adjusted for IPO costs in 2015 and integration costs in 2017 and 2018. The final distributed amount will be calculated taking into account the number of treasury shares (ineligible for dividends) on 27 May 2019.*
(3) *The dividend payout ratio was calculated based on the number of existing shares at 31 December 2018, excluding treasury shares.*

## 1.2.8 Contacts

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Press Relations:

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## 1.2.9 Table summarising authorisations relating to share capital

Table summarising the currently valid delegations granted to the Board of Directors by the AGM, and their use during 2018.

| Type of authorisation | Purpose of authorisation | Validity of authorisation | Upper limits | Use during 2018 |
|---|---|---|---|---|
| **Purchases of shares/ buybacks** | Purchase or authorise purchase of shares in the Company | **AGM of 15/05/2018**<br>13th resolution<br>For a period of: 18 months<br>**Entry into force:**<br>15/05/2018<br>**Expiry date:**<br>15/11/2019 | **Upper limits of purchases/ buybacks:**<br>10% of the shares comprising the share capital<br>**Maximum purchase price:**<br>€100<br>**Maximum aggregate amount allocated to the buyback programme:**<br>€1 billion | ***See note below (1.2.10 and 1.2.11)*** |
| **Capital increase** | Increase the share capital through the issuance of shares and/or securities giving immediate or future access to share capital, with preferential subscription rights | **AGM of 18/05/2017**<br>15th resolution<br>For a period of: 26 months<br>**Entry into force:**<br>18/05/2017<br>**Expiry date:**<br>18/07/2019 | **Nominal upper limit for capital increases:**<br>50% of the existing share capital on the date of the AGM of 18/05/2017(1)<br>**Nominal upper limit for the issuance of debt securities:**<br>€3.5 billion | **None** |
| | Increase the share capital through the issuance of shares and/or securities giving immediate or future access to share capital, without preferential subscription rights, by public offering | **AGM of 18/05/2017**<br>16th resolution<br>For a period of: 26 months<br>**Entry into force:**<br>18/05/2017<br>**Expiry date:**<br>18/07/2019 | **Nominal upper limit for capital increases:**<br>10% of the existing share capital on the date of the AGM of 18/05/2017(1)<br>**Nominal upper limit for the issuance of debt securities:**<br>€1.5 billion | **None** |
| | Increase the share capital through the issuance of shares and/or securities giving immediate or future access to share capital, without preferential subscription rights, by private placement as provided for in Article L. 411-2 II of the French Monetary and Financial Code | **AGM of 18/05/2017**<br>17th resolution<br>For a period of: 26 months<br>**Entry into force:**<br>18/05/2017<br>**Expiry date:**<br>18/07/2019 | **Nominal upper limit for capital increases:**<br>10% of the existing share capital on the date of the AGM of 18/05/2017(1) (2)<br>**Nominal upper limit for the issuance of debt securities:**<br>€1.5 billion | **None** |
| | Issuance of shares and/or securities giving immediate or future access to shares to be issued by the Company in consideration of contributions in kind consisting of shares or securities giving access to share capital | **AGM of 18/05/2017**<br>18th resolution<br>For a period of: 26 months<br>**Entry into force:**<br>18/05/2017<br>**Expiry date:**<br>18/07/2019 | **Nominal upper limit for capital increases:**<br>10% of the existing share capital on the date of the AGM of 18/05/2017(1) (2)<br>**Upper limit on the number of shares and securities giving access to share capital to be issued:**<br>10% of the share capital<br>**Nominal upper limit for the issuance of debt securities:**<br>€1.5 billion | **None** |

*(1) The maximum aggregate nominal amount of capital increases that may be carried out pursuant to this delegation is deducted from the aggregate limit on capital increases stipulated in paragraph 2 of the 15th resolution of the AGM of 18 May 2017 (set at 50% of the existing share capital on the date of the AGM of 18 May 2017).*

*(2) The maximum aggregate nominal amount of capital increases that may be carried out pursuant to this delegation is deducted from the nominal limit on capital increases without preferential subscription rights, stipulated in paragraph 3 of the 16th resolution of the AGM of 18 May 2017 (set at 10% of the existing share capital on the date of the AGM of 18 May 2017).*

| Type of authorisation | Purpose of authorisation | Validity of authorisation | Upper limits | Use during 2018 |
|---|---|---|---|---|
| **Capital increase** | Determining the issue price, in connection with a share capital increase by issuance of equity securities without preferential subscription rights | **AGM of 18/05/2017**<br>19th resolution<br>For a period of: 26 months<br>**Entry into force:**<br>18/05/2017<br>**Expiry date:**<br>18/07/2019 | **Nominal upper limit for capital increases:**<br>10% of the share capital per 12-month period(1) (2) | **None** |
| | Increase share capital by incorporation of premiums, reserves, profits or any other sums | **AGM of 18/05/2017**<br>20th resolution<br>For a period of: 26 months<br>**Entry into force:**<br>18/05/2017<br>**Expiry date:**<br>18/07/2019 | **Nominal upper limit for capital increases:**<br>20% of the existing share capital on the date of the AGM of 18/05/2017(1) | **None** |
| | Increase the number of shares to be issued in the event of a capital increase, with or without preferential subscription rights | **AGM of 18/05/2017**<br>21st resolution<br>For a period of: 26 months<br>**Entry into force:**<br>18/05/2017<br>**Expiry date:**<br>18/07/2019 | **Upper limit of the number of shares to be issued:**<br>Limits stipulated by applicable regulations as of the date of issuance (currently 15% of the initial issue); limit deductible from the limit stipulated in the resolution setting the amount of the initial issuance(1) | **None** |
| **Operations in favour of employees/ personnel and/or Company officers** | Carry out capital increases reserved for participants in Company savings schemes without preferential subscription rights for shareholders | **AGM of 18/05/2017**<br>22nd resolution<br>For a period of: 26 months<br>**Entry into force:**<br>18/05/2017<br>**Expiry date:**<br>18/07/2019 | **Nominal total upper limit for capital increases:**<br>1% of the share capital as of the date of the Board of Directors' decision(1) | **Used by the Board of Directors during its meeting of 01/08/2018 (number of shares issued: 193,792)** |
| | Grant performance shares (existing or to be issued) to some or all of the Group's employees and Company officers. | **AGM of 18/05/2017**<br>23rd resolution<br>For a period of: 38 months<br>**Entry into force:**<br>18/05/2017<br>**Expiry date:**<br>18/07/2020 | **Total upper limit on the number of performance shares, existing or to be issued, granted:**<br>2% of the share capital as of the date of the Board of Directors' decision(1)<br>**Total upper limit on the number of performance shares, existing or to be issued, granted to Senior Executive Company Officers:**<br>10% of the performance shares granted during said financial year pursuant to this authorisation | **Used by the Board of Directors during its meeting of 01/08/2018 (number of shares granted: 98,310)** |
| **Cancellation of shares** | Decrease the share capital by cancellation of treasury shares | **AGM of 18/05/2017**<br>24th resolution<br>For a period of: 26 months<br>**Entry into force:**<br>18/05/2017<br>**Expiry date:**<br>18/07/2019 | **Upper limit on total number of shares to be cancelled:**<br>10% of the share capital per 24-month period | **None** |

*(1) The maximum aggregate nominal amount of capital increases that may be carried out pursuant to this delegation is deducted from the aggregate limit on capital increases stipulated in paragraph 2 of the 15th resolution of the AGM of 18 May 2017 (set at 50% of the existing share capital on the date of the AGM of 18 May 2017).*

*(2) The maximum aggregate nominal amount of capital increases that may be carried out pursuant to this delegation is deducted from the nominal limit on capital increases without preferential subscription rights, stipulated in paragraph 3 of the 16th resolution of the AGM of 18 May 2017 (set at 10% of the existing share capital on the date of the AGM of 18 May 2017).*

## 1.2.10 Purchase by the Company of its own shares in 2018

The thirteenth resolution approved at the Amundi ordinary AGM on 15 May 2018 authorised the Board of Directors to perform transactions on Amundi shares in accordance with the provisions of the AMF's General Regulation and with articles L. 225-209 *et seq.* of the French Commercial Code.

The principal components of this resolution, which is still in force, are as follows:

- the authorisation was granted for a period of 18 months from the date of the general shareholders' meeting, until 15 November 2019;
- the Company may not, under any circumstances, hold over 10% of the share capital;
- the purchase cannot take place at a price higher than €100 per share;
- in any case, the maximum amount that the Company can dedicate to the buyback of its own ordinary shares is €1 billion.

These shares may be acquired at any time within the limits permitted by legal and regulatory provisions in effect, including during takeover bids or public exchange offers initiated by the Company or aimed at the shares of the Company, particularly in view of the following allocations:

- the allocation or sale of shares to employees as part of a profit-sharing agreement or the implementation of any company or group savings schemes (or a similar scheme) under the terms and conditions provided by law, particularly articles L. 3332-1 *et seq.* of the French Labour Code;
- the allocation of performance shares pursuant to the provisions of articles L. 225-197-1 *et seq.* of the French Commercial Code; or
- generally, to honour the obligations associated with share allocation programmes for employees or company officers of the issuer or of an associated company;
- the distribution of shares at the time of the exercise of the rights attached to securities giving access to the capital through reimbursement, conversion, exchange, presentation of a warrant or in any other way;
- the cancellation of all or of portion of the securities thus bought back;
- the stimulation of the secondary market or of liquidity for Amundi shares by an investment services provider under the terms of a liquidity contract in compliance with the Code of Conduct recognised by the AMF.

The goal of this programme is also to facilitate the implementation of any market practice that may become permitted by the AMF, and more generally, the completion of any other transactions that are compliant with regulations in effect. Under such a scenario, the Company will inform its shareholders through a press release.

The Amundi AGM to be held on 16 May 2019 will be asked to approve the renewal of the authorisation granted to the Board of Directors to perform transactions on Amundi shares, which will enable the continued operation of the share buyback programme currently in progress, as described below:

**Information on the use of the buyback programme announced at the general shareholders' meeting, in accordance with article L. 225-211 of the French Commercial Code.**

The Board of Directors informs the AGM of the following activities undertaken in accordance with the buyback programme for the period 1 January to 31 December 2018.

During the 2018 financial year, transactions completed under the buyback programme had two distinct objectives:

1. market-making purposes, by an investment services provider under a liquidity contract signed with an Investment Services Provider (Kepler Cheuvreux), in compliance with the Code of Conduct of the French Association of Financial Markets (AMAFI);
2. covering the commitments to employees under the performance share plans in accordance with the provisions of articles L. 225-197-1 *et seq.* of the French Commercial Code.

The purchases were completed in accordance with the authorisation granted to the Board of Directors by Amundi's ordinary AGM of 15 May 2018 (thirteenth resolution).

Amundi launched a share buyback programme *via* a mandate granted to an Investment Services Provider (Kepler Cheuvreux) to cover the performance share plans established for key Group managers. This programme is being implemented from 21 November 2018 to 15 November 2019. The number of shares bought back should amount to a maximum of 2 million, representing 1% of the share capital (*i.e.* for information purposes, approximately €100 million based on the share price at 20 November 2018).

The maximum price at which these shares may be bought back will be €100 per share and the overall amount allocated to this programme may not exceed €200 million. The relevant Amundi shares are those listed for trading on the Euronext Paris regulated market, under ISIN code FR0004125920.

| Number of shares registered in the Company's name at 31/12/2017 | 41,135 |
|---|---|
| Number of shares purchased in 2018 | *1,623,285* |
| *Of which shares bought back under the liquidity contract* | *1,010,354* |
| *Of which shares bought back under the share buyback programme* | 612,931 |
| Number of shares used as part of the liquidity agreement (purchases – sales)(1) | 160,015 |
| Average purchase price of shares acquired in 2018 | €58.75 |
| Value of shares acquired in 2018 (valued at purchase price) | €95,367,380 |
| Trading costs | €5,492 |
| Number of shares sold in 2018 | 850,339 |
| Average price of shares sold in 2018 | €65.34 |
| **Number of treasury shares at 31/12/2018** | **814,081** |
| *Of which treasury shares held under the liquidity contract* | *201,150* |
| *Of which treasury shares held under the share buyback programme* | *612,931* |
| Total book value of shares(2) | €39,892,604 |
| Par value | €2.5 |
| **Percentage of share capital held by the Company at 31/12/2018** | **0.4%** |

*(1) Shares purchased and sold under the contract in 2018.*
*(2) Shares acquired under the liquidity contract are recognised as trading securities and valued at market value at each reporting date (€9,285,084 at 31/12/2018). Shares held under the share buyback programme are valued at their cost of purchase (€30,607,520 at 31/12/2018).*

## 1.2.11 Description of Amundi share buyback programme to be submitted to the next General Meeting of 16 May 2019

During the AGM to be held on 16 May 2019, shareholders will be asked whether to renew for a period of 18 months the share buyback authorisation granted to the Board of Directors. Pursuant to the provisions of article 241-2 of the AMF General Regulation, the description of this programme can be found below;

### NUMBER OF SECURITIES AND PORTION OF THE SHARE CAPITAL DIRECTLY HELD BY AMUNDI

At 31 December 2018, the number of shares directly held by Amundi was 814,081 shares, *i.e.* 0.4% of the share capital.

### BREAKDOWN OF SECURITIES HELD ACCORDING TO OBJECTIVE

At 31 December 2018, the shares held by Amundi could be broken down as follows:

- 612,931 shares intended to cover the commitments to employees under the performance share plan;
- 201,150 shares held under the liquidity contract for market making purposes.

### SHARE BUYBACK PROGRAMME OBJECTIVES

Under the share buyback programme that will be submitted to the combined AGM of 16 May 2019, the shares may be acquired at any time within the limits permitted by legal or regulatory provisions in effect, including during takeover bids or public exchange offers initiated by the Company or those targeting the securities of the Company, particularly in view of the following allocations:

- the allocation or sale of shares to employees as part of a profit-sharing agreement or the implementation of any company or group savings schemes (or a similar scheme) under the terms and conditions provided by law, particularly articles L. 3332-1 *et seq.* of the French Labour Code;
- the allocation of performance shares pursuant to the provisions of articles L. 225-197-1 *et seq.* of the French Commercial Code; or
- generally, to honour the obligations associated with share allocation programmes for employees or company officers of the issuer of an associated company;
- the distribution of shares at the time of the exercise of the rights attached to securities giving access to the capital through reimbursement, conversion, exchange, presentation of a warrant or in any other way;
- the cancellation of all or of a portion of the securities thus bought back;
- the stimulation of the secondary market or of liquidity for Amundi shares by an investment services provider under the terms of a liquidity contract in compliance with the Code of Conduct recognised by the AMF.

The goal of this programme is also to facilitate the implementation of any market practice that may be permitted in the future by the AMF, and more generally, the completion of any other transactions that are compliant with regulations in effect. Under such a scenario, the Company will inform its shareholders through a press release.

## MAXIMUM AMOUNT ALLOCATED TO THE BUYBACK PROGRAMME, MAXIMUM NUMBER AND CHARACTERISTICS OF THE SECURITIES THAT MAY BE ACQUIRED

Purchases of Company shares may involve a number of shares such that, as of the date of each buyback, the total number of shares purchased by the Company since the start of the buyback programme (including those involved in said buyback) does not exceed 10% of the shares making up the share capital of the Company on that date (taking into account transactions impacting this number after the AGM of 16 May 2019), *i.e.* for information purposes, at 31 December 2018, an upper limit for buybacks of 20,170,435 shares. It is moreover specified that (i) the number of shares acquired in view of their retention and subsequent assignment under the terms of a merger, demerger or contribution may not exceed 5% of the Company's share capital; and (ii) when the shares are bought back to promote liquidity under the conditions defined by the AMF General Regulation, the number of shares taken into account to calculate the 10% limit stipulated above is the number of shares purchased, minus the number of shares resold during the validity of the authorisation.

The overall amount allocated to the share buyback programme cannot exceed €1 billion. It is specified that the maximum amount allocated to the buyback programme implemented between 21 November 2018 and 15 November 2019 may not exceed €200 million. In this context, the number of shares bought back *via* the agreement signed with an Investment Services Provider (Kepler Cheuvreux) should amount to a maximum of €2 million.

The securities that Amundi intends to acquire are exclusively shares.

## MAXIMUM AUTHORISED UNIT PURCHASE PRICE

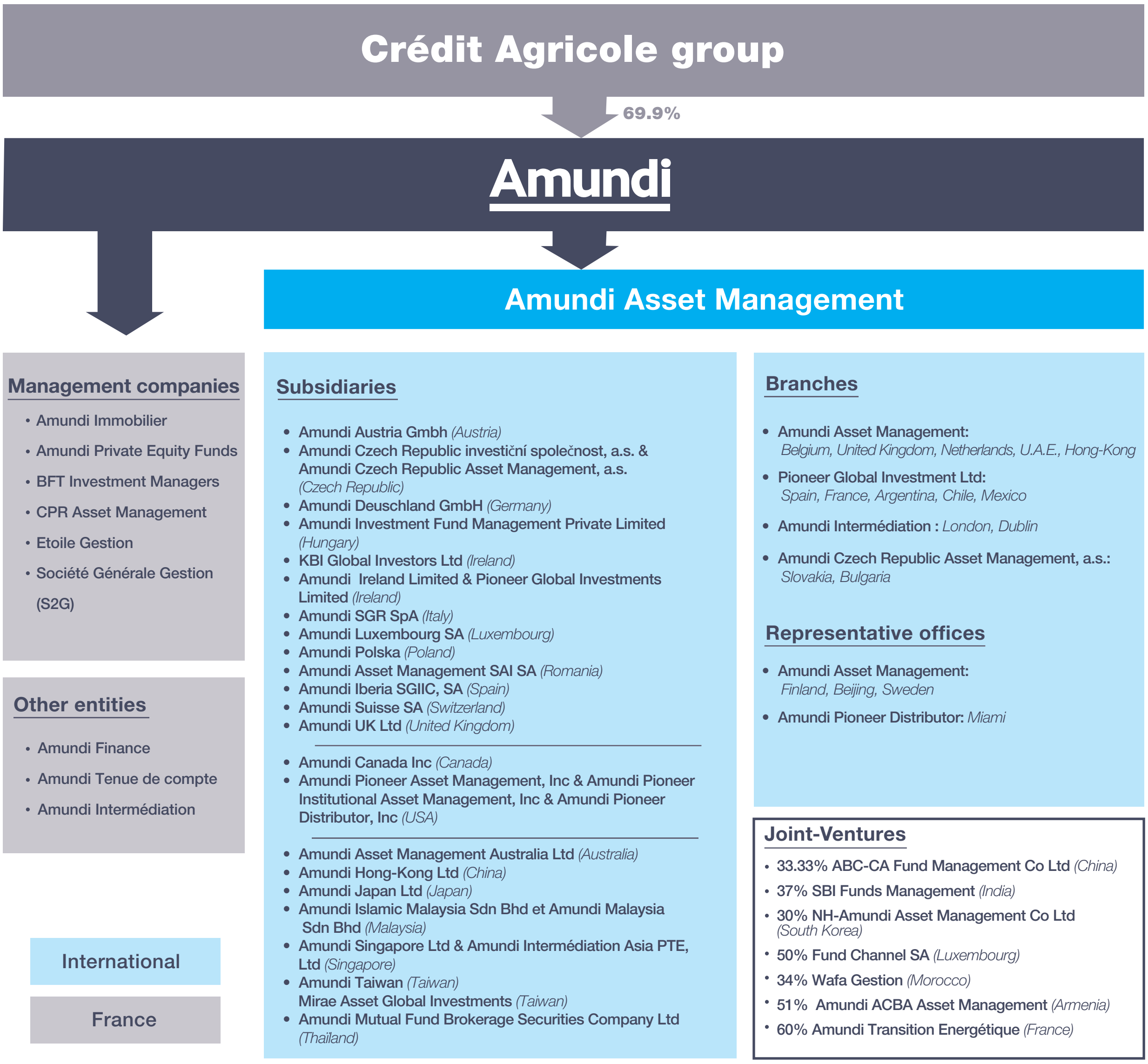
The maximum purchase price of the shares under the buyback programme will be €100 per share (or the exchange value of this amount on the same date in any other currency). It is proposed that the AGM delegates to the Board of Directors, in the event of a change in the par value of the share, a capital increase *via* the capitalisation of reserves, the allocation of performance shares, the split or reverse split of securities, the distribution of reserves or any other assets, the redemption of share capital, or any other transaction involving the share capital or equity, the power to adjust the aforementioned maximum purchase price to take into account the impact of these transactions on the value of the share.

## DURATION OF THE SHARE BUYBACK PROGRAMME

The share buyback programme may be implemented for a period of eighteen months from the date of the AGM of 16 May 2019.

The authorisation presented to shareholders during this AGM will supersede, effective 16 May 2019, any prior delegation, up to its unused portion where applicable, granted to the Board of Directors to transact on the Company's shares.

# 1.3 ORGANISATIONAL STRUCTURE OF THE GROUP AT 31 DECEMBER 2018




All companies are wholly owned unless stated otherwise.

Amundi is the holding company for the Amundi Group. The majority of its shares are held by the Crédit Agricole Group (69.9%). It mainly performs its asset management activities through subsidiaries in France and abroad, through joint ventures (particularly in Asia) and through other entities.

For a list of Amundi's consolidated subsidiaries please refer to note 9.3

# 1.4 THE AMUNDI BUSINESS MODEL

## 1.4.1 Amundi: a history of profitable development based on a unique, differentiating model

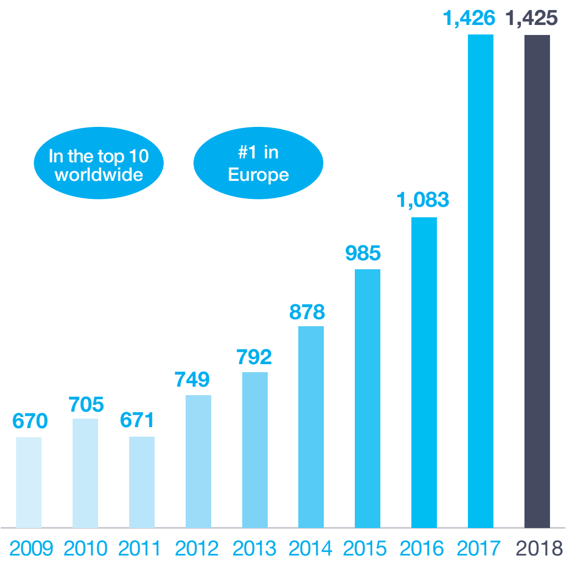
**Since its creation in early 2010, Amundi has more than doubled its assets under management by becoming the European leader in asset management and establishing a worldwide presence. Amundi has exceeded all the objectives set at the time of its 2015 IPO. It combines growth and profitability and enjoys a well-established reputation.**

**Amundi's development is the result of a unique business model**: a centralised platform for the management of products, and multiple distribution channels in 37 countries. Together with a highly diversified profile (by client segment, by asset class, by geographical area), this business model has enabled Amundi to double its assets under management from end-2009 (€670 billion) to end-2018 (€1,425 billion), while combining performance and profitability.

Organic growth has been the main factor in this momentum, along with the 2017 acquisition of Pioneer which has strengthened three aspects of this business model: distribution capacity, expertise, and talent.

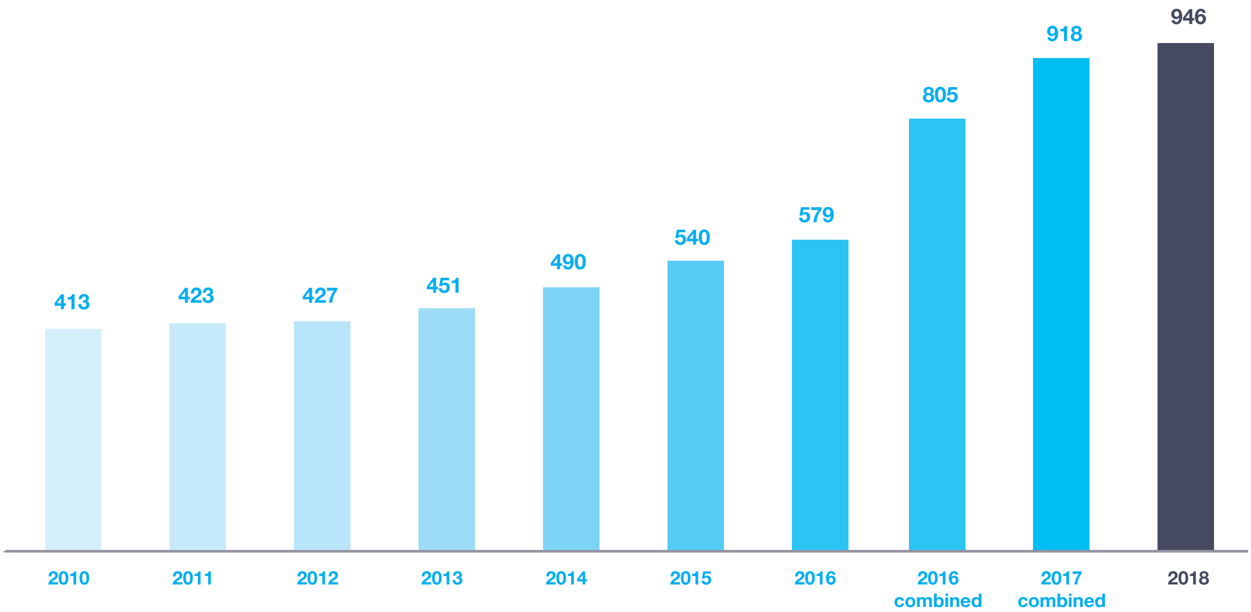
**The growth in Amundi's net income since its creation, including during adverse market conditions such as those in 2018, highlights its resilience and soundness**, as well as its ability to maintain an outstanding level of operational efficiency, ranking among the best in the industry.

Growth of assets under management at year-end, 2009 - 2018 CAGr* : +8,75%




* *Average annual growth rate*

2010-2018 Growth in adjusted net income, Group share *(in € million)*[(1)]




(1) *2015: excluding IPO costs and amortisation of distribution agreements; 2016 and 2017: net combined and adjusted income (12 months Amundi + 12 months Pioneer) excluding Pioneer consolidation costs and amortisation of distribution agreements; 2018: net income excluding Pioneer consolidation costs and amortisation of distribution agreements.*

**This development is based on a unique and differentiating strategic positioning:**

- an organisation focused on clients, built around two client segments: retail and institutional;
- a worldwide presence and an asset base diversified by type of client, asset class and geography;
- a comprehensive range of active and passive management and real asset investment services;
- a unique approach to partnerships with networks and distributors;
- a high level technical platform;
- an efficient industrial model, with one of the lowest cost-to-income ratios in the industry;
- a highly entrepreneurial culture.

In a field fraught with many challenges for assets managers (low interest rates over the long-term, development of passive/index management, increased competition notably from US players, significant technological changes, etc.), Amundi's solid and differentiating qualities enable it to continue its profitable growth.

## 1.4.2 A unique industrial model built around two major client segments and a diversified profile

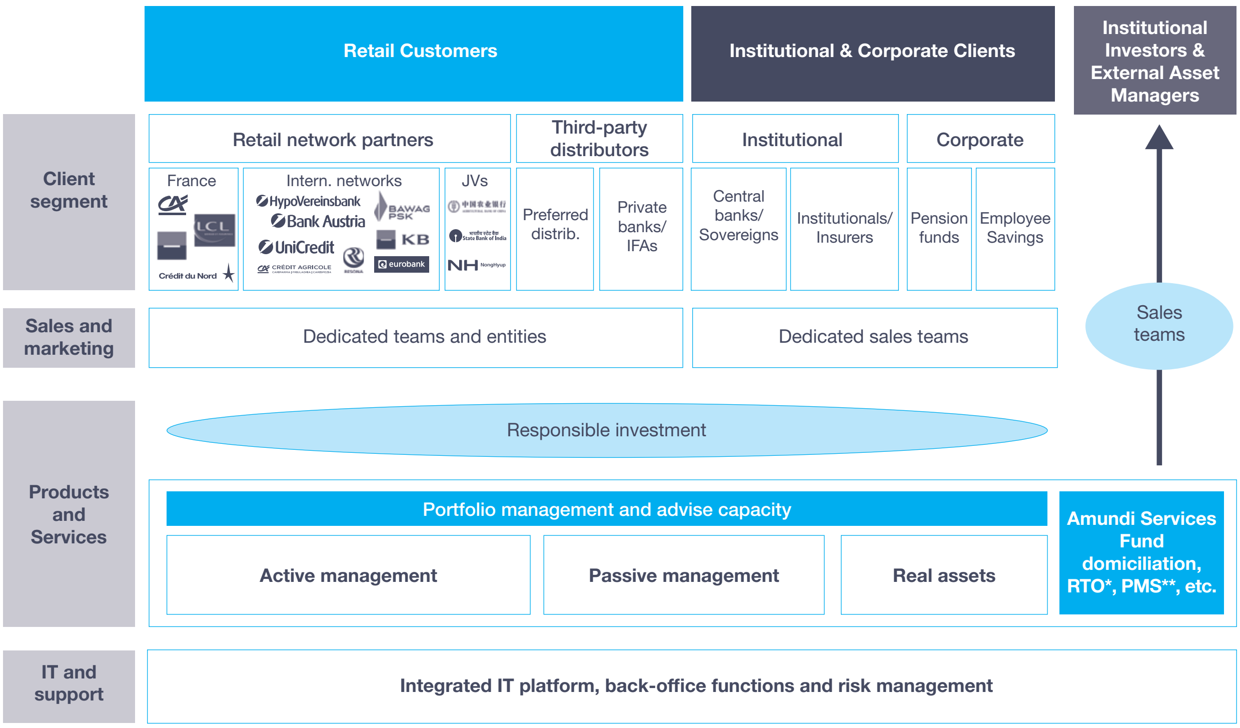
**Amundi focuses on two client segments: retail and institutional.**

- **Retail** includes the distribution of savings solutions for clients of partner networks in France and abroad, networks linked to the joint ventures and third party distributors.
- **Institutional** includes direct sales to institutional investors (sovereign funds and central banks, insurers, pension funds, etc.) and businesses (cash management, employee savings and retirement plans), as well as the management of mandates on behalf of Crédit Agricole and Société Générale Group insurers in connection with their general life insurance funds (policies in euros), and non-life insurance assets.

Each client segment has its own sales, marketing and customer service teams which are often located in close proximity thanks to Amundi's presence in 37 countries. These teams are tasked with designing products and services that address the specific needs of clients. They accomplish this with the support of management platforms, back-office and risk management functions and an integrated IT infrastructure.

**This type of organisation facilitates client access to Amundi's international expertise, a high level of customisation in the products offered, and the economies of scale that enable Amundi to achieve a cost-to-income ratio that is one of the best in the industry: 51.5%[1] in 2018 compared to an average of 63%[2] for other asset managers.**

### A unique industrial model

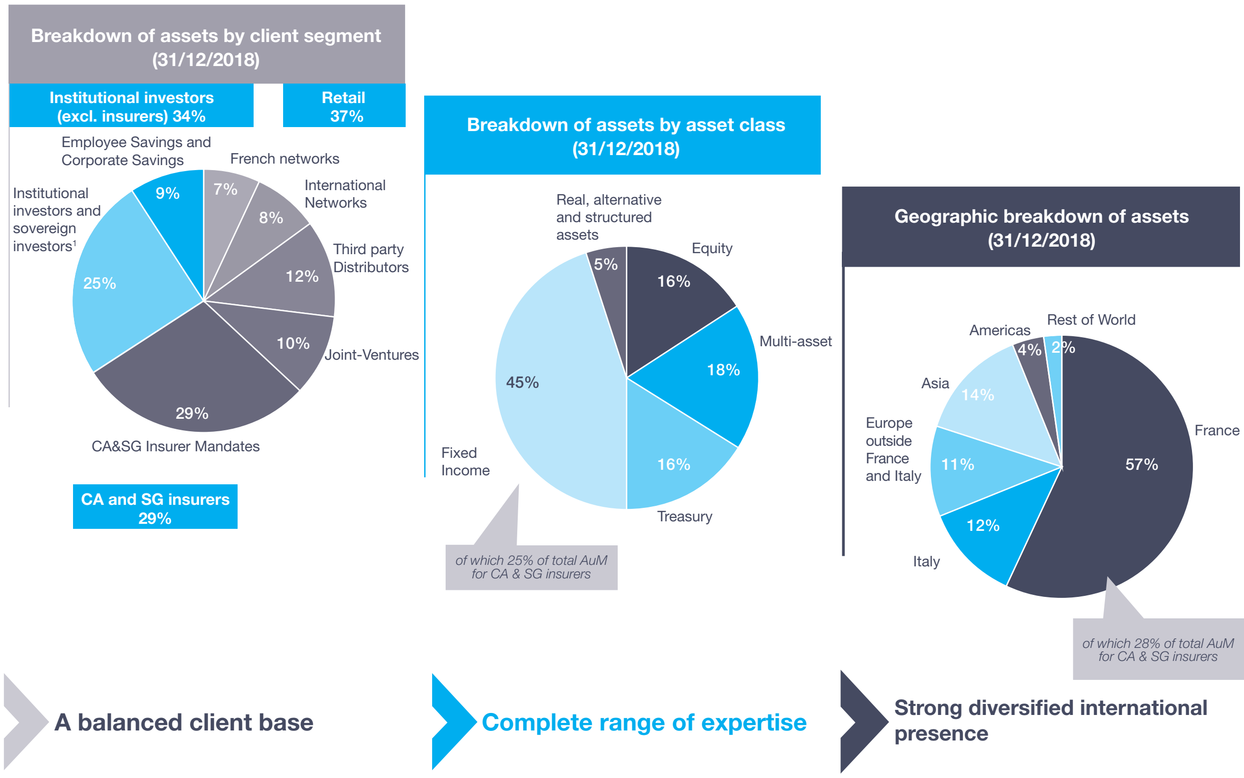



* Order execution ** Portfolio Management Services

*(1) Adjusted cost/income ratio.*
*(2) Source BCG Global Asset Management 2018 study.*

**This business model also benefits from the great diversity in Amundi's assets under management by type of client, asset class and geographical area.** This diversification of income sources plays a role in Amundi's financial soundness and enables it to better weather economic downturns. It gives Amundi the means to continue to invest in its organic growth and to make targeted investment in its prospective external growth.

## A well diversified client base and assets




1 - Including funds of funds

## A preferred retail network partner

| Customers/ Distribution channels | | AuM (at 31 Dec 2018) |
|---|---|---|
| Partner distribution networks in France | LCL, SOCIETE GENERALE, Crédit du Nord | €104 bn |
| International partner distribution networks | UniCredit, CRÉDIT AGRICOLE CARIPARMA \| FRIULADRIA \| CARISPEZIA, BAWAG PSK, HypoVereinsbank, RESONA, Bank Austria, KB, eurobank, CRÉDIT AGRICOLE | €116 bn |
| JV in Asia | 中国农业银行 AGRICULTURAL BANK OF CHINA, भारतीय स्टेट बैंक State Bank of India, NH NongHyup | €142 bn |
| Third-party distributors | Preferred distributors; US Distributors; Private banks / Independent financial advisers / Asset managers | €170 bn |
| **TOTAL RETAIL** | | **€532 bn** |

UniCredit Networks

## A KEY PLAYER IN THE RETAIL SEGMENT

**Retail client activities are part of Amundi's DNA. Given its origins, it has developed a unique partnership approach with distribution networks (particularly banking networks), thereby positioning the Group internationally as the key player in this segment.** Most notably, Amundi's value proposition is based on a range of products, services and tools adapted to each partner distribution network.

Locally-based (local networks) or centralised (for cross-border flagship funds) teams exclusively serve network partners and third party distributors to provide the best response to their specific needs, including the deployment of innovative and customised digital tools to adapt to changes in the distribution environment.

**Amundi is the leader in France thanks to its four main partner networks (Crédit Agricole, LCL, Société Générale and Crédit du Nord),** with which it has distribution agreements guaranteeing it quasi-exclusivity in the marketing of funds. These two agreements have a five-year term and were renewed in November 2015.

**Outside France, at the time of the Pioneer acquisition in 2017, Amundi entered into a ten-year distribution agreement with the UniCredit networks in Italy, Germany, Austria and in Eastern Europe.** Amundi also remains the preferred supplier for the Crédit Agricole and Société Générale networks in Italy (CA Italie), the Czech Republic (Komerčni Banka) and Poland (CA Polska). Amundi is also in partnership with BAWAG P.S.K. in Austria and Resona in Japan.

**In addition, Amundi has joint ventures** operating in India (with State Bank of India, the top bank in the country), in China, (with Agricultural Bank of China, one of the top three Chinese banks), in South Korea (with Nonghyup Bank, one of the five top banking groups in Korea) and in Morocco (with the Wafa banking group).

**This distribution capacity is complemented by more than 1,000 third-party distributors, private banks and wealth management advisers,** for whom dedicated offers and specific commercial initiatives are deployed.

## A leading position on the Institutional and Corporate segments

| A large and diversified client base | | AuM (31 Dec. 2018) |
|---|---|---|
| Institutional investors & Sovereigns | **A global institutional client base:**<br>• Significant historical presence in the central and sovereign bank segment;<br>• Pension funds, insurers, other financial institutions, NGOs. | €354 Bn [1] |
| Corporates | **European leader in the Corporate segment:**<br>• Strong presence in France;<br>• European leader for money market funds and treasury products;<br>• Corporate pension funds. | €67 Bn |
| Employee savings | **Unique expertise in employee savings:**<br>• Employee share ownership, Employee savings, Retirement;<br>• Leader in France; favourable outlook with the Pact Act. | €54 Bn |
| CA and SG Insurer Mandates | **Two long-standing customers with a large and stable asset base:**<br>• Crédit Agricole Assurances (France and Italy);<br>• Sogecap (Société Generale insurance subsidiary). | €417 Bn |
| **TOTAL INSTITUTIONAL INVESTORS** | | 893 Md€ |

1. Including funds of funds

### A LARGE AND DIVERSIFIED INSTITUTIONAL CLIENT BASE

**Amundi is the trusted partner of over 1,000 institutional clients.** Through its dedicated sales, marketing and client servicing teams, Amundi provides a wide range of products and services to its institutional clients to address their need to optimise the yield-risk-cost triangle:

- a comprehensive range of expertise and customisation capacity *via* its worldwide investment platform;
- a multi-faceted approach offering more than just asset management, thanks to consulting, services and an intimate knowledge of key institutional trends, supported by Amundi's internal research teams;
- continuous development of new services and products.

**The institutional segments can be broken down into three client categories:**

- **institutional investors** (sovereign funds and central banks, insurers, pension funds, etc.): Amundi is the leader in France and one of the top players in the European market, providing advisory and management services to a wide range of institutional investors worldwide;
- **corporates:**
  - Amundi is number one in France and in the euro zone for treasury products for large businesses(1);
  - employee savings and retirement schemes: Amundi is also number one in France for employee savings schemes, with over 4 million employee accounts in more than 100,000 small, medium and large businesses, representing a market share of over 43%(2);
- **mandates from the insurance companies of the Crédit Agricole and Société Générale groups**, mainly for the management of euro-denominated life insurance policy assets.

*(1) Source: Broadridge, end December 2018, open funds domiciled in Europe.*
*(2) Source: AFG June 2018.*

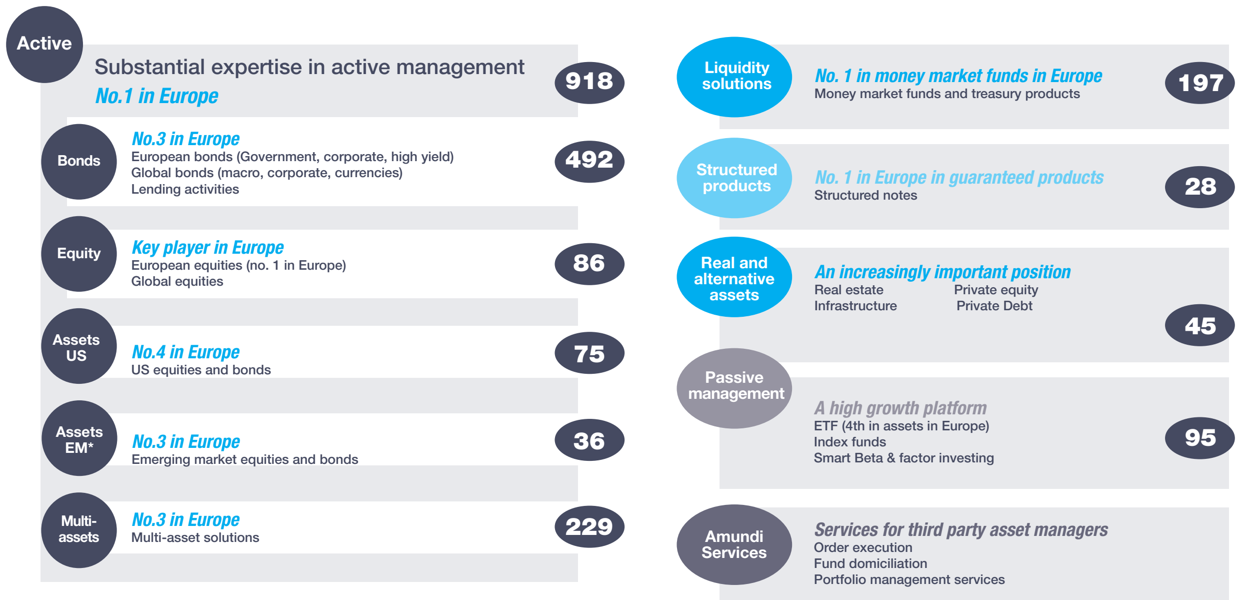
## 1.4.3 A comprehensive and high-performance product range

**Amundi offers its clients a diversified range of expertise pertaining to the main asset classes, in active and passive management and in real asset investment.**

Thanks to its innovation policy, Amundi regularly expands its range with differentiated products that address the changing needs of its clients.

### A comprehensive range of products and services

AuM at 31 December 2018: €1,283 bn (excl. JVs)




*EM: Emerging Markets
Source of rankings: Broadridge, December 2018, open funds domiciled in Europe; Deutsche Bank Market Research ETF rankings in Europe.

### A COMPREHENSIVE RANGE OF MANAGEMENT SKILLS

In **active management**, Amundi has an extensive offer that covers in particular fixed income, equities and diversified (multi-asset) investments:

- ***fixed income***: as Amundi benefits from its leading global standing, it has a comprehensive product range that includes funds invested in the euro zone (government bonds, credit including high yield), global and emerging market funds and American funds or funds denominated in US dollars;
- ***equities***: Amundi is mainly present on the European, American and Asian equity markets, covering both large and small caps, and has well-known expertise in global and emerging market equities;
- ***multi-assets***: the offering includes diversified absolute return, low volatility funds offering long-term performance targets, as well as active-passive management solutions and exposure to specific risk factors for institutional clients. This offering has been reinforced by Pioneer's know-how.

In ***treasury management***, Amundi is the European leader in money market[(1)] funds, on the strength of a comprehensive offer.

In ***structured products***, Amundi is the European leader[(1)] in the guaranteed funds segment, thanks to a product offer that ensures full or partial protection of capital or revenue. It also issues structured notes (EMTN), which aim to replicate the performance of equity and real estate portfolios. Amundi systematically covers its market risk exposure on these products with leading international financial counterparties. See chapter 5 of this Registration Document.

In ***real and alternative assets***, Amundi is rapidly developing in multiple investment segments such as real estate, private equity, private debt and infrastructure.

In ***passively managed*** products, Amundi manages ETFs (Exchange-Traded Funds) as well as a wide variety of indexing solutions covering equity, fixed income and other asset classes. Amundi is ranked fourth in Europe[(2)] in the ETF segment in terms of assets under management and net inflows.

*(1) Source: Broadridge, December 2018, open funds domiciled in Europe.*
*(2) Source: Source DB ETF Monthly Review & Outlook, end December 2018.*

Amundi is also developing Smart Beta solutions, building on its own expertise.

**Amundi deploys its management expertise from six main management platforms: Boston, Dublin, London, Milan, Paris and Tokyo.** These types of expertise are bolstered by unique know-how in internal research and Analysis. A centralised and independent compliance and risk management system ensures compliance with restrictions established by regulations and by clients.

### AMUNDI SERVICES

The Amundi Services business line was created to expand Amundi's presence throughout the value chain. This business line aims to open Amundi's high level technical platform to third party asset management companies and institutional investors for whom Amundi can provide fund management and administration services, order execution services, etc.

### HIGH-QUALITY MANAGEMENT PERFORMANCE

**Thanks to its unique model, Amundi can offer its clients high quality, solid, and regular performance.**

In 2018, the management teams demonstrated this quality in most areas of expertise:

- Amundi's open-ended funds were classified by Morningstar in the first two quartiles, for 67% at 1 year, 69% at 3 years, and 76% at 5 years(1);
- more than 65% of the fixed income assets and more than 52% of the equities assets that received a GIPS performance(2) measurement verified by external auditors had outperformed their benchmark over a five-year period up to 31 December 2018;
- of the 47 strategies that were recommended by the global consultants(3), 76% were rated Buy, 23% were rated Hold, and 0% were rated Sell.

## 1.4.4 Responsible Investment

**Since its creation in 2010, Amundi has defined responsible investment as one of its core principles**. Accordingly, Amundi's policy aims to integrate environmental, social and governance (ESG) criteria within its management strategies and to undertake specific initiatives to promote investments based on certain themes, particularly the environment.

**This policy, which translated into €276 billion under management in responsible investments at end-2018, was implemented according to three priorities:**

- the incorporation of ESG criteria in investment policies in addition to traditional financial analysis criteria. This approach is based on the rating of issuers (5,500 currently) carried out by a dedicated Amundi team. This serves as a strong incentive for businesses to incorporate their environmental and social impact into their strategy. Assets managed in this context total €267 billion;
- the creation of dedicated funds involving targeted investments, notably regarding climate change or energy transition. The corresponding assets total more than €8 billion;
- supporting companies in the social and solidarity economy *via* a dedicated fund – Amundi solidarity – with assets totalling €200 million.

**In October 2018, Amundi launched an ambitious three-year action plan taking its commitments to a new level:**

- ESG (Environment, Social, Governance) analysis will be incorporated within the management of all Group funds within three years;
- the voting policy applied at general meetings will automatically take into account the ESG ratings of companies;
- the advisory services specifically tailored to Amundi's institutional investor clients will be enhanced to help support their ESG strategies;
- special initiatives promoting investments in environmental and social impact projects will be doubled;
- investments in the social and solidarity economy will be doubled.

(1) *Source: Morningstar Direct, open funds and ETFs, global scope excluding feeder funds, December 2018.*
(2) *Source: performance before expenses over 5 years for Amundi and Pioneer funds subject to a benchmark according to the audited GIPS scope (€110 billion for equities and €92 billion for fixed income and credit) at 31/12/2018.*
(3) *Source: Global consultants: AonHewitt, Cambridge, Mercer, Russel, Towers Watson, Bfinance, December 2018 rating.*

### 1.4.5 Strategic priorities

**Despite a less favourable market, Amundi has many growth drivers.**

The 2018 financial year was marked by deteriorating market conditions, interests rates remaining very low, combined with increasing uncertainty and growing risk aversion among savers and investors. This situation had a negative impact on deposit-taking and on the generation of management and outperformance fees and commissions.

**Nevertheless, Amundi confirmed the resilience of its business model in 2018 with the near-complete consolidation of Pioneer, which has been successful and is bearing fruit (particularly in terms of cost synergies).**

**The results for 2018 are in line with the announced plan. Despite a less promising situation, Amundi still retains powerful assets enabling it to continue its profitable growth,** based on the following strategic priorities:

- continuing the development of each business line by leveraging its leadership role in retail networks and accelerating penetration among institutional and corporate clients;
- developing new distribution partnerships, particularly in Europe and Asia;
- continuing to promote its range of products and services;
- expanding its presence throughout the value chain, particularly *via* the development of Amundi Services;
- strengthening its positioning as a responsible investor, tied to Amundi's very reason for being, which addresses growing client expectations.

## 1.5 COMPANY HISTORY

- **1950:** creation of specialised asset management departments dedicated to serving customers of the Crédit Agricole Group.
- **1964:** the first French mutual fund was launched by the Société Générale Group.
- **1997:** following Crédit Agricole S.A.'s acquisition of Banque Indosuez, the Banque Indosuez asset management business was consolidated within a subsidiary called Indocam.
- **2001:** all of Crédit Agricole's asset management expertise was transferred to Indocam, which then took the name of Crédit Agricole Asset Management ("CAAM").
- **2004:** transfer of Crédit Lyonnais asset management business to CAAM, following the acquisition of Crédit Lyonnais by the Crédit Agricole Group.
- **1 January 2010:** the official launch of Amundi's business under that name, after the merger of the asset management arms of Crédit Agricole (CAAM) and of Société Générale (Société Générale Asset Management – SGAM), following which the Crédit Agricole Group held 75% and Société Générale 25% of Amundi's capital.
- **2013:** acquisition of Smith Breeden, a fixed income management specialist based in the United States.
- **2014:** Société Générale sold 5% of its stake in Amundi to Crédit Agricole S.A.; acquisition of BAWAG P.S.K. Invest, asset management subsidiary of the Austrian bank BAWAG P.S.K. and the fixed-income activities of Invest, KAF Asset Management (Malaysia).
- **2015:** the stock market listing of Amundi, through the sale of all of the 20% holding of Société Générale and 4.25% of the holding of Crédit Agricole S.A.
- **2016:** Amundi is included in the SBF 120 index, acquires KBI GI (Ireland), launches a new Services business line for third parties and merges its real-estate management businesses with those of Crédit Agricole Immobilier.
- **2017:** Amundi acquires Pioneer Investments, consisting of the asset management subsidiaries of the UniCredit banking group (€243 billion under management at 30 June 2017), a transformative transaction that strengthens Amundi's leadership position in Europe.

# Corporate governance

2

## Introduction

2018 Financial year

Dear shareholders,

In accordance with article L. 225-37 of the French Commercial Code and as a complement to the management report, we present our annual Corporate Governance report, drawn up as follows:

- the Secretariat to the Board of Directors prepared the items relating to the presentation of governance and the work of the Board of Directors and its committees in 2018;
- the Nominations Committee prepared the items relating to the analysis of the workings of the Board, its composition, diversity policy, and the individual contributions of Directors, in line with AMF and AFEP-MEDEF recommendations;
- the Board of Directors analysed the compliance with the recommendations of the AFEP-MEDEF Code and the regulated agreements;
- the Compensation Committee and the Board of Directors prepared items on compensation policy and the breakdown of compensation of Senior Executives and Company Officers and Board members.

This report was approved by the Board of Directors during its meeting of 12 February 2019.

Corporate governance hinges on the Board of Directors of the Company and its specialised committees (2.3), the Senior Executives and Company Officers, and the Executive Committee (2.4).

In accordance with article L. 225-37-2 of the French Commercial Code, this Governance report also includes the draft resolutions on the principles and criteria used to determine, distribute and allocate the fixed, variable and exceptional items making up total compensation and benefit of any kind, attributable to each of the Senior Executive and Company Officers. The report lists the above-mentioned compensation items and states that the variable and exceptional compensation items will only be paid if approved at the Annual General Meeting (2.5).

Complementary items on the individual members of the Board, including a list of all offices and functions in all companies during the year, are given in 2.2.

Finally, chapter 1 and 8 of the Registration Document present the information stipulated in articles L. 225-37-4 and L. 225-37-5 of the French Commercial Code, mainly:

- a table summarising powers currently delegated by the AGM on capital increases, in application of articles L. 225-129-1 and L. 225-129-2, and including use made of these delegations over the year;
- how shareholders can attend the AGM.

# 2.1 SUMMARY

## BRIEF OVERVIEW OF THE BOARD OF DIRECTORS

### In 2018

6
meetings

97%
attendance rate

33%(1)
independent

42%(2)
women

average age
59.7
years old

#### PRESENTATION OF BOARD OF DIRECTORS

### Composition of Board of Directors

1
**MEMBER ELECTED BY EMPLOYEES**
Eric Taze-Bernard

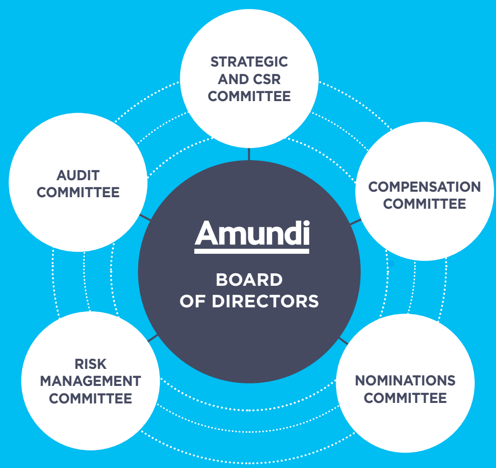
4
**INDEPENDENTS**
Virginie Cayatte
Laurence Danon-Arnaud
Robert Leblanc
Hélène Molinari


7
**PROPOSED BY CRÉDIT AGRICOLE SA**
Xavier Musca
Yves Perrier
Rémi Garuz
Michel Mathieu
Christian Rouchon
Andrée Samat
Renée Talamona

2
**NON-VOTING MEMBERS**
Jean-Michel Forest
Gianni Franco Papa

1
**PROPOSED BY SOCIÉTÉ GÉNÉRALE**
William Kadouch-Chassaing

### 5 specialised committees




## OVERVIEW OF THE EXECUTIVE COMMITTEE

26 members > SEVEN NATIONALITIES > FOUR WOMEN

(1) In accordance with recommendation 8.3 of the AFEP MEDEF Code, the director elected by the employees is not taken into account in the calculation of the percentage.
(2) In accordance with article L. 225-27 of the French Commercial Code, the Director elected by the employees is not taken into account in the calculation of the percentage.
(1 and 2) In the absence of regulatory constraints, non-voting members are not taken into account in the calculation..

# 2.2 COMPANY OFFICERS' PROFILES

## Xavier MUSCA

**CHAIRMAN OF THE BOARD OF DIRECTORS**

Member of the Strategic and CSR Committee, of the Compensation Committee and of the Nominations Committee

**Age:**
58

**Nationality:**
French

**Date of first appointment:**
24/07/2012

**Term of office ends: ordinary general meeting called to approve the financial statements for the year ending:**
31/12/2018

**Number of shares held:**
300

**Biography**

Mr Musca began his career at the French Inspectorate-General for Finance in 1985. In 1989, he joined the French Treasury Directorate, where he became Head of the European affairs office. In 1993, he was called to the cabinet of Prime Minister Edouard Balladur, as technical adviser, then returned to the French Treasury Directorate in 1995, successively as head of the financial markets office then as Deputy Director for Europe – monetary and international affairs, and Head of the French State's Financing Department, and the Economy Department. Between 2002 and 2004, he was Cabinet Director for Francis Mer, Minister of Economy, Finances and Industry. In 2004, he became director of the French Treasury. He left the French Treasury Directorate in February 2009 to become Deputy Secretary General to the French President, in charge of economic affairs. In February 2011, he became Secretary General to the French President.

Xavier Musca has been Deputy Chief Executive Officer of Crédit Agricole S.A. since 2012 and the Second Effective Director since 2015. He has been the Chairman of Amundi's Board of Directors since 2016.

**Three main areas of expertise**

### OTHER POSITIONS AND OFFICES HELD AT 31/12/2018

| Company | Positions and offices held | Start of term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| Crédit Agricole | Deputy Chief Executive Officer, Member of Management Committee, Member of Executive Committee | 2012 |
| CA Consumer Finance | Chairman of the Board of Directors | 2015 |
| Predica | Vice-Chairman of the Board of Directors | 2012 |
| CA Assurances<br>Cariparma | Director | 2012<br>2012 |
| Pacifica | Permanent representative of Crédit Agricole S.A., Director | 2012 |
| In other listed companies: | | |
| CAP Gemini | Director | 2014 |
| CAP Gemini | Chairman of the Audit Committee | 2016 |
| In other unlisted companies: | | |
| None | | |
| In other entities: | | |
| None | | |

### OFFICES HELD IN THE LAST FIVE YEARS (2014-2018) WHICH HAVE EXPIRED

| Company | Positions and offices held | Term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| Amundi* | Chairman of the Nominations Committee and Compensation Committee | 2012-2015 |
| Crédit du Maroc | Vice-Chairman of the Supervisory Board | 2012-2015 |
| CA Egypt UBAF | Vice-Chairman of the Board of Directors | 2012-2015<br>2012-2015 |
| Amundi* | Director | 2012-2016 |
| CACEIS | | 2014-2015 |
| Crédit Agricole Creditor Insurance | | 2012-2017 |
| Cariparma | Member of the Compensation Committee | 2012-2017 |
| In other listed companies: | | |
| Banco Espirito Santo | Director | 2012-2014 |
| In other unlisted companies: | | |
| Bespar | Director | 2012-2014 |
| In other entities: | | |
| None | | |

* *Amundi Group company.*

Accounting and financial information

Risk management, compliance, audit

Asset management and financial markets

Strategic planning

# Yves PERRIER

## DIRECTOR AND CHIEF EXECUTIVE OFFICER

Member of the Strategic and CSR Committee

**Age:**
64

**Nationality:**
French

**Date of first appointment:**
23/12/2009

**Term of office ends: ordinary general meeting called to approve the financial statements for the year ending:**
31/12/2018

**Number of shares held:**
2700[1]

### Biography

Yves Perrier began his career in auditing and consultancy, where he worked for ten years. He joined Société Générale in 1987, where he was Finance Director. From 1999 to 2003, he was a member of the Executive Committee of Crédit Lyonnais, in charge of finance, risk management and internal audit functions. Following the acquisition of Crédit Lyonnais by Crédit Agricole, he became Deputy CEO of Calyon (later CA-CIB). In September 2007, he took over as Head of Asset Management and Institutional Client Services at Crédit Agricole S.A., as Chairman and CEO of Crédit Agricole Asset Management and Chairman of the CACEIS Board of Directors. In 2009, he was the architect behind the creation of Amundi and was appointed its CEO on 1 January 2010.

Since September 2015, Yves Perrier has been Deputy CEO in charge of the Savings, Insurance and Real Estate Division of Crédit Agricole S.A.

**Three main areas of expertise**

### OTHER POSITIONS AND OFFICES HELD AT 31/12/2018

| Company | Positions and offices held | Start of term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| Amundi Asset Management* | Chairman of SAS | 2018 |
| Crédit Agricole S.A. | Deputy CEO in charge of the Savings, Insurance and Real Estate Division | 2015 |
| Pacifica<br>Crédit Agricole Assurances | Director | 2015<br>2015 |
| Predica<br>Crédit Agricole Immobilier | Permanent representative of Crédit Agricole S.A., Director | 2015<br>2015 |
| In other listed companies: | | |
| None | | |
| In other unlisted companies: | | |
| None | | |
| In other entities: | | |
| AFG | Honorary Chairman | 2017 |
| Paris Europlace | Vice Chairman | 2018 |

### OFFICES HELD IN THE LAST FIVE YEARS (2014-2018) WHICH HAVE EXPIRED

| Company | Positions and offices held | Term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| Amundi Asset Management* | Chairman and Chief Executive Officer | 2007-2018 |
| Crédit Agricole S.A. | Head of Asset Management and Institutional Client Services division | 2017-2015 |
| CACEIS<br>Société Générale Gestion* | Chairwoman of the Board of Directors | 2017-2015<br>2009-2015 |
| CA Titres | Member of the Supervisory Board | 2017-2015 |
| Euro Securities Partners<br>LCH Clearnet SA<br>LCH Clearnet Group | Director | 2013-2015<br>2014-2016<br>2014-2016 |
| In other listed companies: | | |
| None | | |
| In other unlisted companies: | | |
| Maike Automobile SAS | Member of the Supervisory Board | 2013-2016 |
| In other entities: | | |
| AFG | Chairman | 2015-2017 |

* *Amundi Group company.*

**Governance and Compensation** **Sales and Marketing** **Banking regulations** **International group management**

*(1) 2,700 shares are also held by a closely related person. See page 56.*

# Virginie CAYATTE

DIRECTOR (INDEPENDENT)

Member of the Audit Committee and the Risk Management Committee

**Age:**
48

**Nationality:**
French

**Date of first appointment:**
30/09/2015

**Term of office ends: ordinary general meeting called to approve the financial statements for the year ending:**
31/12/2018

**Number of shares held:**
250

**Biography**

Virginie Cayatte began her career in 1995 as an analyst in the Merger & Acquisitions team of the AXA Group, then became Head of the Financing and Cash Management Division of the AXA Group. From 2002 to 2003, she served as Deputy Head of the "Savings and Financial Markets" office in charge of regulations relating to management and employee savings, accounting and corporate governance, within the General Directorate of the French Treasury. She then became Head of the "Savings and Financial Markets" office, with responsibility for the regulation of financial markets and their operators, from 2003 until 2005. From 2006 to 2007, she was Secretary General to the Finance and Innovation Competitiveness Division. In 2007, Ms Cayatte returned to AXA IM where she was appointed Corporate Finance and Strategy Director, then Chief Financial Officer in 2010. She became director of Axa IM IF, and left the Group at the end of 2014.

From January 2015 Virginie Cayatte was CFO with responsibility for Finance, Real Estate and Purchasing at Solocal Group, a role she left at end-2017. In 2018, she joined the Adisseo group, owned by Chinese group BlueStar, as CFO.

**Three main areas of expertise**

OTHER POSITIONS AND OFFICES HELD AT 31/12/2018

| Company | Positions and offices held | Start of term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| None | | |
| In other listed companies: | | |
| None | | |
| In other unlisted companies: | | |
| Adisseo | CFO | 2018 |
| In other entities: | | |
| None | | |

OFFICES HELD IN THE LAST FIVE YEARS (2014-2018) WHICH HAVE EXPIRED

| Company | Positions and offices held | Term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| None | | |
| In other listed companies: | | |
| Solocal Group | CFO, member of the Executive Committee | 2015-2017 |
| In other unlisted companies: | | |
| Pages Jaunes SA<br>AXA IM IF | Director | 2015-2017<br>2013-2014 |
| Axa IM | Head of Corporate Finance and Strategy | 2007-2014 |
| In other entities: | | |
| None | | |

Accounting and financial information

Risk management, compliance, audit

Asset management and financial markets

Strategic planning

# Laurence DANON-ARNAUD

**DIRECTOR (INDEPENDENT)**

Chairwoman of the Strategic and CSR Committee, member of the Compensation Committee

**Age:**
62

**Nationality:**
French

**Date of first appointment:**
30/09/2015

**Term of office ends: ordinary general meeting called to approve the financial statements for the year ending:**
31/12/2019

**Number of shares held:**
480

**Biography**

Laurence Danon started her career in 1984 at the Ministry for Industry. In 1989, she joined the ELF Group where she exercised commercial duties within the Polymer Division. In 1991, she became Director of the Industrial Specialty Division before being appointed in 1994 as Head of the Global Division of Functional Polymers. In 1996, she was entrusted with the Executive Management of ATO-FINDLEY Adhésives, which subsequently became BOSTIK, a subsidiary of the TOTAL Group, the world number 2 in adhesives. Appointed as Chairwoman and CEO of PRINTEMPS and member of PPR's Executive Committee in 2001, she left her post in 2007 after the successful sale of PRINTEMPS in October 2006.

Laurence Danon then joined Edmond de Rothschild Corporate Finance in 2007 as a Management Board member, and was then Chairwoman of the Management Board until December 2012. She joined the investment bank Leonardo & Co. in early 2013 as Chairwoman of the Board of Directors.

Subsequent to the sale of Leonardo & Co. SAS to Natixis in June 2015, Laurence Danon joined her family business.

**Three main areas of expertise**

### OTHER POSITIONS AND OFFICES HELD AT 31/12/2018

| Company | Positions and offices held | Start of term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| None | | |
| In other listed companies: | | |
| TF1 | Director, Chairwoman of the Audit Committee | 2010 |
| GECINA<br>Groupe Bruxelles Lambert* | Director | 2017<br>2017 |
| In other unlisted companies: | | |
| PRIMEROSE SAS | Chairwoman | 2015 |
| In other entities: | | |
| Académie des Technologies | Member | 2015 |

### OFFICES HELD IN THE LAST FIVE YEARS (2014-2018) WHICH HAVE EXPIRED

| Company | Positions and offices held | Start of term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| None | | |
| In other listed companies: | | |
| Diageo Plc | Director | 2006-2015 |
| In other unlisted companies: | | |
| Léonardo & CO | Chairwoman of the Board of Directors | 2013-2014 |
| In other entities: | | |
| None | | |

* *Foreign company.*

Governance and Compensation

Sales and Marketing

Banking regulations

International group management

# Rémi GARUZ

DIRECTOR

**Age:**
66

**Nationality:**
French

**Date of first appointment:**
14/02/2014

**Term of office ends: ordinary general meeting called to approve the financial statements for the year ending:**
31/12/2020

**Number of shares held:**
240

**Biography**

Rémi Garuz began his career as a farmer before becoming President of a farming cooperative in 1990, as well as Chairman and CEO of PRODUCTA, an agricultural trading cooperative, from 1997 to 2012. In parallel, he joined the Crédit Agricole Group in 1990 as director of the Sauveterre Local Bank, of which he became President in 1999. In 1996, he became director of the Regional Bank of Gironde, then in 2001, director of the Regional Bank of Aquitaine. In 2000, he then became a member of its office, then Vice-Chairman, and finally Chairman (since 2012).

Three main areas of expertise

## OTHER POSITIONS AND OFFICES HELD AT 31/12/2018

| Company | Positions and offices held | Start of term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| Caisse Régionale du Crédit Agricole d'Aquitaine | Chairwoman of the Board of Directors | 2012 |
| CA Grands Crus | Representative of the Caisse Régionale du Crédit Agricole d'Aquitaine, member of the Supervisory Board | 2012 |
| Grand Sud-Ouest Capital SA<br>SEML Route des Lasers | Representative of Caisse Régionale du Crédit Agricole d'Aquitaine, Director | 2012<br>2012 |
| Caisse Locale de Sauveterre | Director | 1999 |
| In other listed companies: | | |
| None | | |
| In other unlisted companies: | | |
| EARL Martinez Garuz | Manager | 2013 |
| In other entities: | | |
| Commission Départementale d'Orientation de l'Agriculture (CDOA) | Representative of ECO3 (SCI), Member | 1999 |
| Mairie de Saint Brice | Municipal Councillor | 2014 |

## OFFICES HELD IN THE LAST FIVE YEARS (2014-2018) WHICH HAVE EXPIRED

| Company | Positions and offices held | Term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| Caisse d'Assurances Mutuelles du Crédit Agricole (CAMCA) | Director | 2014-2018 |
| In other listed companies: | | |
| None | | |
| In other unlisted companies: | | |
| None | | |
| In other entities: | | |
| Economic, Social and Environmental Committee, Aquitaine Region | Member | 2012-2018 |

**Accounting and financial information** **Risk management, compliance, audit** **Asset management and financial markets** **Strategic planning**

# William KADOUCH-CHASSAING

DIRECTOR CO-OPTED BY THE BOARD OF DIRECTORS ON 1 AUGUST 2018

**Age:**
49

**Nationality:**
French

**Date of first appointment:**
01/08/2018

**Term of office ends: ordinary general meeting called to approve the financial statements for the year ending:**
31/12/2020

**Number of shares held:**
200

## Biography

William Kadouch-Chassaing began his career in 1992 in the office of the Minister of Transport. He concurrently worked as a *professeur agrégé* (associate professor) in economics and social sciences at the university level. In 1996, he joined JP Morgan as an economist and strategist before joining the Mergers & Acquisitions Department in 1998, where he was notably in charge of the coverage of media groups in Europe. In 2007, he became a Senior Banker for Société Générale Corporate & Investment Banking. Six years later, he was appointed Deputy Chief Financial Officer and Head of Group Strategy, becoming a member of the Group's General Management Committee.

William Kadouch-Chassaing holds the position of Group Chief Financial Officer since May 2018.

**Three main areas of expertise**

## OTHER POSITIONS AND OFFICES HELD AT 31/12/2018

| Company | Positions and offices held | Start of term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| None | | |
| In other listed companies: | | |
| Société Générale Group | CFO<br>Member of General Management Committee | 2018<br>2013 |
| In other unlisted companies: | | |
| None | | |
| In other entities: | | |
| Université Sorbonne Nouvelle | Director | 2015 |

## OFFICES HELD IN THE LAST FIVE YEARS (2014-2018) WHICH HAVE EXPIRED

| Company | Positions and offices held | Term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| Amundi* | Director | 2013-2015 |
| In other listed companies: | | |
| Société Générale Group | Director of Group Strategy<br>Deputy CFO | 2013-2018 |
| Société Générale Group Algérie** | Member of the Supervisory Board | 2016-2018 |
| In other unlisted companies: | | |
| None | | |
| In other entities: | | |
| None | | |

* *Amundi Group company.*
***Foreign company*

Governance and Compensation

Sales and Marketing

Banking regulations

International group management

# Robert LEBLANC

## DIRECTOR (INDEPENDENT)

Member of the Audit Committee and of the Nominations Committee,
Chairman of the Compensation Committee

**Age:**
61

**Nationality:**
French

**Date of first appointment:**
30/09/2015

**Term of office ends: ordinary general meeting called to approve the financial statements for the year ending:**
31/12/2018

**Number of shares held:**
200

### Biography

Robert Leblanc began his career in 1979 as a consultant within Andersen Consulting, Paris. In 1987, he was appointed as project manager with the CEO of the Société des Bourses Françaises, a position he left in 1990 to join the AXA Group as Deputy CEO of Meeschaert Rousselle. From 1992 to 1998, he served as Deputy CEO, then as CEO, of Uni Europe (later AXA Courtage). In 1998, Robert Leblanc joined the SIACI Group, of which he was CEO until 2001, then was Chairman of the Management Board, from 2001 to 2007. In April 2007, he was appointed Senior Advisor of APAX FRANCE, a position he occupied until 2009. Robert Leblanc was also Chairman of the Ethics Committee of the MEDEF between 2008 and 2013 and Chairman of the Movement of Christian Entrepreneurs and Managers (*Mouvement des entrepreneurs et dirigeants chrétiens*) between 2010 and 2014. Robert LEBLANC is currently the Chairman and CEO of Aon France (since 2009) and is a member of the Global Executive Committee of Aon Risk Solutions. Author of *Liberalism is a humanism* (Albin Michel, 2017).

**Three main areas of expertise**

### OTHER POSITIONS AND OFFICES HELD AT 31/12/2018

| Company | Positions and offices held | Start of term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| Amundi | Member of Médicis Committee | 2011 |
| In other listed companies: | | |
| None | | |
| In other unlisted companies: | | |
| RL Conseil<br>AON Holdings France SNC | Manager | 2007<br>2009 |
| AON France SAS | Chairman and Chief Executive Officer | 2009 |
| International Space Brokers France – ISB France | Director | 2009 |
| In other entities: | | |
| Chambre Syndicale des Courtiers d'Assurance | Honorary Chairman | 2008 |
| Fondation Avenir Patrimoine à Paris | Chairman | 2014 |
| Aspen France | Director | 2017 |

### OFFICES HELD IN THE LAST FIVE YEARS (2014-2018) WHICH HAVE EXPIRED

| Company | Positions and offices held | Term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| None | | |
| In other listed companies: | | |
| None | | |
| In other unlisted companies: | | |
| AON Risk Solutions | Member of Global Executive Committee | 2009-2018 |
| AON Tunisia* | Director | 2010-2018 |
| In other entities: | | |
| MEDEF | Chairman of the Ethics Committee | 2016-2018 |
| Movement of Christian Entrepreneurs and Executives | Chairman | 2010-2014 |

* *Foreign company*

**Accounting and financial information** · **Risk management, compliance, audit** · **Asset management and financial markets** · **Strategic planning**

# Michel MATHIEU

DIRECTOR

**Age:**
60

**Nationality:**
French

**Date of first appointment:**
28/04/2016

**Term of office ends: ordinary general meeting called to approve the financial statements for the year ending:**
31/12/2020

**Number of shares held:**
200

## Biography

Michel Mathieu began his career at Crédit Agricole Gard in 1983. He went on to become Manager in 1990 and in 1995 joined the Caisse Régionale du Midi as Deputy CEO. In 1999, he was appointed CEO of the Caisse régional du Gard and then, from 2005, of the Caisse régionale du Midi. The Caisses Régionales du Gard and du Midi were merged in 2007 and Michel Mathieu took charge as CEO of the newly created merged Bank, the Caisse Régionale du Languedoc. In 2010, Michel Mathieu moved to Crédit Agricole S.A. as Deputy CEO responsible for Group central functions and, from May 2015, for asset management and insurance. In August 2015 he became Crédit Agricole S.A. Deputy CEO responsible for retail banking subsidiaries, including LCL and international, and for the operations and transformation function. Since April 2016, he has been CEO of LCL, and remains in charge of Crédit Agricole S.A.'s retail banking subsidiaries division (including LCL and international), Member of the Executive Committee.

Three main areas of expertise

### OTHER POSITIONS AND OFFICES HELD AT 31/12/2018

| Company | Positions and offices held | Start of term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| Cariparma*<br>Crédit Agricole Egypt* | Director | 2010<br>2012 |
| Crédit Agricole S.A. | Deputy CEO, Head of Subsidiaries and Local Banking divisions | 2015 |
| Crédit du Maroc* | Vice-Chairman of the Supervisory Board | 2015 |
| LCL | Chief Executive Officer | 2016 |
| Prédica | Permanent representative of LCL | 2016 |
| CACI | Chairman of the Board of Directors | 2016 |
| In other listed companies: | | |
| None | | |
| In other unlisted companies: | | |
| None | | |
| In other entities: | | |
| None | | |

### OFFICES HELD IN THE LAST FIVE YEARS (2014-2018) WHICH HAVE EXPIRED

| Company | Positions and offices held | Term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| Prédica<br>CA-CIB<br>LESICA<br>CA Payment Services | Director | 2011-2016<br>2012-2016<br>2013-2016<br>2015-2016 |
| In other listed companies: | | |
| Eurazeo | Member of the Supervisory Board | 2012-2017 |
| In other unlisted companies: | | |
| None | | |
| In other entities: | | |
| None | | |

* *Foreign company*

Governance and Compensation
Sales and Marketing
Banking regulations
International group management

# Hélène MOLINARI

**DIRECTOR (INDEPENDENT)**

Chairwoman of the Nominations Committee

**Age:**
55

**Nationality:**
French

**Date of first appointment:**
30/09/2015

**Term of office ends: ordinary general meeting called to approve the financial statements for the year ending:**
31/12/2019

**Number of shares held:**
200

## Biography

Hélène Molinari began her career in 1985 with Cap Gemini as information technology consultant. She then joined the Robeco Group in 1987 to develop the institutional sales activity. In 1991, she helped to set up AXA Asset Managers (later AXA Investment Managers), with responsibility for the Retail team, before becoming the Marketing and E-business Director in 2000. Then, in 2004, she became Global Communication and Brand Director. In 2005, she joined Laurence Parisot at the head of MEDEF, of which she was appointed Deputy CEO and member of the Executive Council in 2011.

In 2013, she joined the strategic committee of BE-BOUND, a digital start-up. In parallel, she became a corporate officer of AHM Conseil, a company specialised in the organisation of cultural events.

**Three main areas of expertise**

## OTHER POSITIONS AND OFFICES HELD AT 31/12/2018

| Company | Positions and offices held | Start of term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| None | | |
| In other listed companies: | | |
| Lagardère SCA | Member of the Supervisory Board and member of the Nominations, Compensation and Governance Committee | 2012 |
| In other unlisted companies: | | |
| Be Bound | Member of the Strategic Committee | 2013 |
| Ahm Conseil | Manager | 2014 |
| In other entities: | | |
| Tout le monde chante contre le cancer<br>Women of influence awards | Member of the Steering Committee | 2010<br>2013 |

## OFFICES HELD IN THE LAST FIVE YEARS (2014-2018) WHICH HAVE EXPIRED

| Company | Positions and offices held | Term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| None | | |
| In other listed companies: | | |
| None | | |
| In other unlisted companies: | | |
| Capival | Senior Advisor | 2014-2018 |
| In other entities: | | |
| Boyden Foundation | Director | 2013-2018 |

**Accounting and financial information** · **Risk management, compliance, audit** · **Asset management and financial markets** · **Strategic planning**

# Christian ROUCHON

**DIRECTOR**

Chairman of the Audit and Risk Management Committees

**Age:**
58

**Nationality:**
French

**Date of first appointment:**
23/12/2009

**Term of office ends: ordinary general meeting called to approve the financial statements for the year ending:**
31/12/2019

**Number of shares held:**
200

**Biography**

Christian Rouchon joined the Crédit Agricole Group in 1988 as Accounting and Finance Manager of Caisse Régionale de la Loire, then of the Caisse Régionale Loire Haute-Loire in 1991, before becoming Chief Financial Officer thereof in 1994. In 1997, he was appointed as Information Systems Manager of the Loire Haute-Loire Regional Bank. In 2003, he then became Deputy Chief Executive Officer in charge of the operation of the Caisse Régionale des Savoie before joining the Caisse Régionale Sud Rhône-Alpes in September 2006 as Deputy Chief Executive Officer in charge of development.

In April 2007 – six months later – he became Chief Executive Officer.

**Three main areas of expertise**

## OTHER POSITIONS AND OFFICES HELD AT 31/12/2018

| Company | Positions and offices held | Start of term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| Caisse Régionale du Crédit Agricole Sud Rhône Alpes | Chief Executive Officer | 2007 |
| Square Habitat Sud Rhône Alpes | Director | 2007 |
| Sep Sud Rhône Alpes | Non-partner manager | 2008 |
| BforBank | Director | 2010 |
| Credit Agricole Home Loan SFH | Director of the Board of Directors | 2018 |
| FNCA | Member of the Financial Organisation Committee, Member of the transformation and performance commission | 2018 |
| In other listed companies: | | |
| None | | |
| In other unlisted companies: | | |
| None | | |
| In other entities: | | |
| None | | |

## OFFICES HELD IN THE LAST FIVE YEARS (2014-2018) WHICH HAVE EXPIRED

| Company | Positions and offices held | Term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| Fonds d'investissement et de recherche du Crédit Agricole –Fireca | Director | 2010-2014 |
| GIE CA Technologies et Services | | 2010-2014 |
| C3A | Representative of CRCAM Sud Rhône Alpes, Director | 2008-2014 |
| SAS Capida | Chairman | 2009-2015 |
| BforBank | Chairwoman of the Board of Directors | 2010-2017 |
| COPIL OFI | Chairman | 2013-2017 |
| Credit Agricole Home Loan SFH | Chairman | 2013-2017 |
| CA-Chèques | Director | 2015-2018 |
| FNCA | Chairman of the Financial Organisation Committee, Rapporteur for the Finance and Risk Commission, Member of the Companies and Wealth Project Committee and the Rates Committee | 2013-2018 |
| In other listed companies: | | |
| None | | |
| In other unlisted companies: | | |
| None | | |
| In other entities: | | |
| ANCD | Vice-Chairman | 2011-2018 |

Governance and Compensation

Sales and Marketing

Banking regulations

International group management

# Andrée SAMAT

DIRECTOR

**Age:**
68

**Nationality:**
French

**Date of first appointment:**
30/09/2015

**Term of office ends: ordinary general meeting called to approve the financial statements for the year ending:**
31/12/2019

**Number of shares held:**
200

**Biography**

Andrée Samat began her career with the Crédit Agricole Group in 1996 as director of the Caisse Locale du Beausset, where she became Chairwoman in 2000.

From 2003 to 2014, she served as director of the Caisse Locale à Vocation Départementale Du Var, and became Deputy Chairwoman in 2008. In 2006, she also served as director of the Caisse Régionale de Provence Côte d'Azur, where she became Chairwoman of the Board of Directors in March 2009.

Andrée Samat is also a Municipal Councillor, Deputy Mayor of St Cyr sur Mer and Deputy Mayor and Deputy Chairwoman of the Var Department Council (83).

**Three main areas of expertise**

### AUTRES MANDATS ET FONCTIONS EN COURS AU 31/12/2018

| Company | Positions and offices held | Start of term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| Caisse Régionale du Crédit Agricole Provence Côte d'Azur (PCA) | Chairwoman of the Board of Directors | 2009 |
| Caisse Locale de Beausset (PCA Group) | Chairwoman | 2000 |
| Fondation d'entreprise du Crédit Agricole Provence Côte d'Azur (PCA Group) | | 2009 |
| SAS Creazur (PCA Group) | | 2012 |
| Crédit Foncier de Monaco Indosuez Wealth (CA Group) | Director | 2010 |
| Crédit Agricole Carispezia (CA Group) | | 2011 |
| FNCA, Handicap et Emploi au Crédit Agricole (CA Group) | | 2011 |
| Sofipaca SA (PCA Group) | Representative of CRCAM Provence Côte d'Azur, Director | 2009 |
| FNCA, Handicap et Emploi au Crédit Agricole (CA Group) | Vice-Chairwoman | 2013 |
| Crédit Agricole Carispezia (CA Group) | Member of Related Parties Committee | 2017 |
| FNCA (CA Group) | Member of Health and Aging Committee | 2013 |
| FNCA (CA Group) | Member of the Customer Relations Commission | 2015 |
| Nominations and Compensation Committee of Crédit Foncier de Monaco Indosuez Wealth | Member | 2018 |
| In other listed companies: | | |
| None | | |
| In other unlisted companies: | | |
| None | | |
| In other entities: | | |
| Mairie de Saint-Cyr sur Mer | Deputy Mayor | 2008 |
| Var Departmental Council | Vice-Chairwoman | 2015 |

### OFFICES HELD IN THE LAST FIVE YEARS (2014-2018) WHICH HAVE EXPIRED

| Company | Positions and offices held | Term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| Caisse Locale à Vocation Départementale du Var | Director | 2003-2014 |
| Caisse Locale à Vocation Départementale du Var | Vice-Chairwoman | 2008-2014 |
| FNCA | Member of Finance and Risk Management Committee | 2011-2015 |
| Fédération Régionale du Crédit Agricole Provence Côte d'Azur | Chairwoman | 2013-2015 |
| In other listed companies: | | |
| None | | |
| In other unlisted companies: | | |
| None | | |
| In other entities: | | |
| None | | |

Accounting and financial information

Risk management, compliance, audit

Asset management and financial markets

Strategic planning

# Renée TALAMONA

**DIRECTOR**

Member of the Risk Management Committee

**Age:**
61

**Nationality:**
French

**Date of first appointment:**
30/09/2015

**Term of office ends: ordinary general meeting called to approve the financial statements for the year ending:**
31/12/2020

**Number of shares held:**
200

## Biography

Renée Talamona began her career at the Caisse Nationale de Crédit Agricole, where she was named Head of Economic Studies in 1980, then in 1983, Head of Studies for Finance Management, and in 1986, Internal Auditor and then Project Leader for the Internal Audit Department. In 1992, she was named Finance and Risk Director at CRCAM Sud and then, in 1996, Marketing Director at CRCAM Pyrénées Gascogne. From 2000 to 2002, she was Deputy CEO of CRCAM Champagne Bourgogne. In August 2002, she was named Deputy CEO of CRCAM Pyrénées Gascogne and Chairwoman of Bankoa, a subsidiary of the Regional Bank in the Spanish Basque area. In April 2009, she became Deputy to the "Group Risk Manager" of Crédit Agricole S.A. Finally, between November 2011 and September 2013, Renée Talamona served as director of "French Regions Management" at Crédit Agricole-CIB.

Renée Talamona currently holds the position of Chief Executive Officer of CRCAM de Lorraine.

**Three main areas of expertise**

## OTHER POSITIONS AND OFFICES HELD AT 31/12/2018

| Company | Positions and offices held | Start of term of office |
| --- | --- | --- |
| In Crédit Agricole Group companies: | | |
| Caisse Régionale du Crédit Agricole Lorraine | Chief Executive Officer | 2013 |
| Crédit Agricole S.A. | Director, member of the Strategic and CSR Committee | 2016 |
| CALF<br>BFT IM* | Director | 2013<br>2014 |
| FNCA | Member of Crédit Agricole Mutual Life and Identity Commission | 2014 |
| | Rapporteur for the Transformation and Performance Commission | 2018 |
| CALF | Member of the Audit Committee, member of the Risk Management Committee, | 2015 |
| | Member of the Appointments Committee | 2016 |
| In other listed companies: | | |
| None | | |
| In other unlisted companies: | | |
| None | | |
| In other entities: | | |
| None | | |

## OFFICES HELD IN THE LAST FIVE YEARS (2014-2018) WHICH HAVE EXPIRED

| Company | Positions and offices held | Term of office |
| --- | --- | --- |
| In Crédit Agricole Group companies: | | |
| GIE Coopernic | Director | 2014-2016 |
| LCL | Permanent representative of SACAM Développement, Director | 2012-2016 |
| In other listed companies: | | |
| None | | |
| In other unlisted companies: | | |
| None | | |
| In other entities: | | |
| None | | |

* *Amundi Group company.*

Governance and Compensation

Sales and Marketing

Banking regulations

International group management

# Éric TAZE-BERNARD

**DIRECTOR ELECTED BY THE EMPLOYEES**

Member of the Risk Management Committee

**Age:**
62

**Nationality:**
French

**Date of first appointment:**
12/10/2016

**Term of office ends: ordinary general meeting called to approve the financial statements for the year ending:**
31/12/2018

**Number of shares held(1):**
349 through the Amundi Actionnariat company mutual fund

**Biography**

Éric Tazé-Bernard began his career in 1983 as an economic development consultant at SEDES, part of the Caisse des Dépôts Group, before in 1987 joining the Banque Indosuez Economic and Financial Research Department, where he became Deputy Director. In 1993 he moved into investment management at Indosuez Asset Management, then Crédit Agricole Asset Management, as Head of Strategy and Asset Allocation, before taking over multi-management at BNP Paribas Asset Management. He then moved on to become Chief Investment Officer for INVESCO France. He joined Amundi in June 2008 as Head of Multi-Management before becoming chief allocation advisor for institutional investors.

**Three main areas of expertise**

## OTHER POSITIONS AND OFFICES HELD AT 31/12/2018

| Company | Positions and offices held | Start of term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| Amundi Asset Management* | Chef Allocation Advisor | 2013 |
| Amundi ACBA** | Director | 2015 |
| In other listed companies: | | |
| None | | |
| In other unlisted companies: | | |
| None | | |
| In other entities: | | |
| France Foundation | Member of Finance Committee | 2009 |

## OFFICES HELD IN THE LAST FIVE YEARS (2014-2018) WHICH HAVE EXPIRED

| Company | Positions and offices held | Term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| None | | |
| In other listed companies: | | |
| None | | |
| In other unlisted companies: | | |
| None | | |
| In other entities: | | |
| None | | |

* *Amundi Group company.*
***Foreign company.*

**Accounting and financial information** | **Risk management, compliance, audit** | **Asset management and financial markets** | **Strategic planning**

**Governance and Compensation** | **Sales and Marketing** | **Banking regulations** | **International group management**

*(1) The Director elected by the employees has no obligation to hold shares.*

# Jean-Michel FOREST

## NON-VOTING MEMBER

Permanent guest on the Audit and Risk Management Committee

**Age:**
61

**Nationality:**
French

**Date of first appointment:**
27/10/2015

**Term of office ends: ordinary general meeting called to approve the financial statements for the year ending:**
31/12/2020

### Biography

Jean-Michel Forest joined Crédit Agricole in 1990 as director of the Caisse Locale de St Germain Laval. He then went on to hold the positions of director, then Deputy Chairman of the Caisse Départementale de la Loire, before taking a position as director of the Caisse Régionale Loire Haute-Loire in 2004, of which he was appointed Chairman on 14 March 2011.

### OTHER POSITIONS AND OFFICES HELD AT 31/12/2018

| Company | Positions and offices held | Start of term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| Caisse Locale de Saint Germain Laval | Chairman | 1995 |
| FNCA – Commission Marchés, Clients et Innovation (formerly CRC) | | 2014 |
| Association des Présidents de Caisse Régionale | | 2018 |
| Fondation d'Entreprise Crédit Agricole Loire Haute-Loire pour l'Innovation | Chairman and Founding Director | 2016 |
| CRCAM Loire Haute-Loire (SC) | | 2011 |
| Fédération Auvergne Rhône-Alpes du Crédit Agricole (formerly FRACA) | | 2016 |
| Caisse Locale de Développement Loire Haute-Loire | Director | 2005 |
| SA Cofam (subsidiary of CRCAM LHL) | | 2011 |
| SAS Locam (subsidiary of CRCAM LHL) | | 2011 |
| SAS Sircam (subsidiary of CRCAM LHL) | | 2011 |
| SAS Square Habitat Crédit Agricole Loire Haute-Loire | | 2011 |
| Bforbank SA | | 2013 |
| LCL – Le Crédit Lyonnais SA | | 2014 |
| Espace Solidarité Passerelle (Association) | Member of the Board of Directors | 2005 |
| FNCA | Member | 2011 |
| FNCA | Permanent guest of the Federal Bureau | 2018 |
| SAS SACAM Avenir | Member of the Executive Committee | 2013 |
| LCL – Le Crédit Lyonnais SA | Member of the Appointments Committee | 2016 |
| Crédit Agricole group | Member of the Senior Executives Commission | 2017 |
| | Member of the National Compensation Commission | 2017 |
| IFCAM | Member of the Commission for Training Programmes for Chairpersons and Directors of the Caisse Régionale | 2018 |
| ADICAM SARL | Member of the Joint Management Committee of FOMUGEI | 2018 |
| In other listed companies: | | |
| None | | |
| In other unlisted companies: | | |
| None | | |
| In other entities: | | |
| CRMCCA Rhône-Alpes | Chairman | 2013 |
| CRMCCA Rhône-Alpes (Confédération régionale de la mutualité, de la coopération et du crédit agricoles) | Member of the Board as representative, appointed as Chairman of the Fédération Auvergne Rhône-Alpes du Crédit Agricole | 2016 |

### OFFICES HELD IN THE LAST FIVE YEARS (2014-2018) WHICH HAVE EXPIRED

| Company | Positions and offices held | Term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| Amundi Group SA* | Director | 04/2015-11/2015 |
| SAS Pleinchamp | | 2012-2017 |
| SAS Sacam Pleinchamp | Member of the Executive Committee | 2012-2017 |
| In other listed companies: | | |
| None | | |
| In other unlisted companies: | | |
| None | | |
| In other entities: | | |
| MSA Ardèche Drôme Loire | Commissioner for the 3rd Collège of St-Etienne canton | 2010-2015 |
| MSA Ardèche Drôme Loire | Member of the Comité Départemental Loire 3rd Collège | 2010-2015 |
| CAR Rhône-Alpes (Regional Agriculture Council) | Member – Representative appointed by the CRMCCA Rhône-Alpes | 2013-2016 |
| CESER Rhône-Alpes | Member representative of CRMCCA Rhône-Alpes | 2013-2017 |

* *Amundi Group company.*

# Gianni Franco PAPA

**NON-VOTING MEMBER, APPOINTED BY THE BOARD OF DIRECTORS ON 8 FEBRUARY 2018**

**Age:**
62

**Nationality:**
Italian

**Date of first appointment:**
08/02/2018

**Term of office ends: ordinary general meeting called to approve the financial statements for the year ending:**
31/12/2020

**Biography**

Gianni Franco Papa has occupied various positions in UniCredit group's international divisions, serving as director for Asia (2000-2002), then as director for the Americas (2003-2005).

After covering the position of Chief Executive Officer of UniCredit Bank Slovakia and Chief Executive Officer of Ukrosas bank Ukraine, he was appointed Chief of the CEE division in 2010 and Deputy Chief Executive Officer of Bank Austria.

From 2015 to 2016, he headed the Corporate & Investment Banking (CIB) division.

Gianni Franco Papa is currently *Direttore Generale* of UniCredit. He is in charge of all group commercial activities. His main goal is to develop UniCredit's client offering by maximising cross-sales and value creation in the various divisions and business activities of UniCredit, as well as digital strategy and bringing about change in the bank' service model. He is also a member of the executive management committee of UniCredit, member of the international advisory board (CCI), and a member of the Executive Committee of the *Associazione Bancaria Italiana* (ABI).

In 2013, he was appointed *Commendatore Ordine al Merito della Repubblica Italiana* on the recommendation of the Italian presidency of the Council of Ministers (Presidenza del Consiglio dei Ministri).

### OTHER POSITIONS AND OFFICES HELD AT 31/12/2018

| Company | Positions and offices held | Start of term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| None | | |
| In other listed companies: | | |
| UniCredit* | Direttore Generale | 2016 |
| In other unlisted companies: | | |
| UniCredit Bank AG* | Chairman of the Supervisory Board | 2016 |
| | Member of the Appointments Committee | 2016 |
| | Member of the Risk Management Committee | 2015 |
| UniCredit Bank Austria AG* | Member of the Supervisory Board | 2018 |
| | Member of the Appointments Committee | 2016 |
| Anthemis EVO LLP* | Chairman | 2016 |
| In other entities: | | |
| Italy Advisory Board (IAB)* | Chairman | 2016 |
| Associazione Bacaria Italiana (ABI)* | Member of the Executive Committee and the Board of Directors | 2016 |
| FeBaf* | Member of the Executive Committee | 2018 |

### OFFICES HELD IN THE LAST FIVE YEARS (2014-2018) WHICH HAVE EXPIRED

| Company | Positions and offices held | Term of office |
|---|---|---|
| In Crédit Agricole Group companies: | | |
| None | | |
| In other listed companies: | | |
| None | | |
| In other unlisted companies: | | |
| Bank Austria* | Deputy Chief Executive Officer and head of the CEE division | 2010-2015 |
| Unicredit Banka Slovenija D.D.* | Chairman of the Supervisory Board | 2011-2014 |
| Public Joint Stock Company Ukrsotsbank* | Member of the Supervisory Board | 2013-2015 |
| AO Unicredit Bank* | Member of the Supervisory Board | 2011-2015 |
| Unicredit Tiriac Bank SA* | Member of the Supervisory Board | 2011-2015 |
| Koc Finansal Hizmetler AS* | Vice-Chairman of the Board of Directors<br>Member of the Supervisory Board | 2011-2015<br>2015-2016 |
| Hizmetler AS * | Member of the Board of Directors<br>Member of the Audit Committee | 2015-2016 |
| Yapi Ve Kredi Bankasi AS* | Member of the Board of Directors<br>Chairman of the Audit Committee | 2015-2016 |
| Unicredit Turn-Around Management CEE GMBH* | Member of the Advisory Board | 2011-2015 |
| In other entities: | | |
| None | | |

* *Foreign company.*

# 2.3 THE BOARD OF DIRECTORS AND ITS COMMITTEES

## 2.3.1 Overview of the Board of Directors, its role and its functioning

### 2.3.1.1 OVERVIEW

#### 2.3.1.1.1 Summary table at 31/12/2018

| Name | Age | Gender | Audit Committee | Risk Management Committee | Strategic Committee | Compensation Committee | Nominations Committee | Date first appointed | End of current appointment | Years on Board | Attendance at meetings in 2018 (Boards and Committees) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **NON-EXECUTIVE COMPANY OFFICER** | | | | | | | | | | | |
| **Xavier Musca** Chairman of the Board of Directors. | 58 | M | | | X | X | X | 2012 | 2019 AGM | 6 | 100% |
| **EXECUTIVE COMPANY OFFICER** | | | | | | | | | | | |
| **Yves Perrier** CEO and Director | 64 | M | | | X | | | 2007 | 2019 AGM | 11 | 100% |
| **DIRECTOR** | | | | | | | | | | | |
| **Rémi Garuz** | 66 | M | | | | | | 2014 | 2021 AGM | 4 | 100% |
| **William Kadouch-Chassaing** | 49 | M | | | | | | Board 2018 | 2021 AGM | 5 months | 100% |
| **Michel Mathieu** | 60 | M | | | | | | 2016 | 2021 AGM | 2 | 67% |
| **Christian Rouchon** | 58 | M | (Chair) | (Chair) | | | | 2009 | 2020 AGM | 9 | 100% |
| **Andrée Samat** | 68 | F | | | | | | 2015 | 2020 AGM | 3 | 100% |
| **Renée Talamona** | 61 | F | | X | | | | 2015 | 2021 AGM | 3 | 100% |
| **INDEPENDENT DIRECTORS** | | | | | | | | | | | |
| **Virginie Cayatte** | 48 | F | X | X | | | | 2015 | 2019 AGM | 3 | 100% |
| **Laurence Danon-Arnaud** | 62 | F | | | (Chair) | X | | 2015 | 2020 AGM | 3 | 100% |
| **Robert Leblanc** | 61 | M | X | | | (Chair) | X | 2015 | 2019 AGM | 3 | 100% |
| **Hélène Molinari** | 55 | F | | | | | (Chair) | 2015 | 2020 AGM | 3 | 100% |
| **DIRECTOR ELECTED BY THE EMPLOYEES** | | | | | | | | | | | |
| **Eric Tazé-Bernard** | 62 | M | | X | | | | Elected October 2016 | Elected before 2019 AGM | 2 | 100% |
| **NON-VOTING MEMBERS** | | | | | | | | | | | |
| **Jean-Michel Forest** | 61 | M | X | X | | | | Board 2015 | Board 2021 | 3 | 100% |
| **Gianni Franco Papa** | 62 | M | | | | | | Board 2018 | Board 2021 | 10 months | 80% |

#### 2.3.1.1.2 Changes in the composition of the Board of Directors and the committees during the year

| Name | Office held in the Company | Renewal | Departures | Appointment/ Co-option |
|---|---|---|---|---|
| **François Veverka** | Non-voting member Invited to Audit and Risk Management Committees | | Board 08/02/2018 | |
| **Gianni Franco Papa** | **Non-voting member** | | | **Board 08/02/2018** |
| **Jean-Michel Forest** | Non-voting member Invited to Audit and Risk Management Committees | Board 08/02/2018 | | |
| **Rémi Garuz** | Director | 15/05/2018 OAGM | | |
| **Renée Talamona** | Director and Member of the Risk Management Committee | 15/05/2018 OAGM | | |
| **Michel Mathieu** | Director | 15/05/2018 OAGM | | |
| **Laurent Goutard** | Director | 15/05/2018 OAGM | Board 01/08/2018 | |
| **William Kadouch-Chassaing** | **Director** | | | **Board 01/08/2018** |

#### 2.3.1.1.3 Changes planned for 2019:

During its meeting of 12 February 2019, and upon the recommendation of the Nominations Committee, the Board of Directors decided to propose to the AGM called to approve the financial statements for the year ended 31 December 2018, the renewal for a three-year term of office of:

- Virginie Cayatte, independent director;
- Robert Leblanc, independent director;
- Xavier Musca, director and Chairman of the Board;
- Yves Perrier, director.

It should also be noted that the Board of Directors will submit to the AGM the approval of the co-option of William Kadouch-Chassaing to replace Laurent Goutard.

Pursuant to the recommendations of the AFEP-MEDEF Code, a biography outlining the highlights of their curriculum vitae will be provided to you in the individual presentations featured in chapter 2.2 “Company Officer Profiles”.

### 2.3.1.2 ROLE AND FUNCTIONING OF THE BOARD OF DIRECTORS

The missions and functioning of the Board of Directors are set out in the Board’s Internal Regulations and in its Articles of Association. For any information pertaining to these items, please refer to articles 12 and 14 of the Articles of Association as well as articles 2 and 3 of the Internal Regulations provided in their entirety in chapter 8 of this Registration Document.

**Staggering of appointments:** In accordance with recommendation 13.2 of the AFEP-MEDEF Code, the expiration of the three-year terms of office of Directors is properly staggered over time.

**Board Diversity Policy:** The Board of Directors’ diversity policy seeks to ensure an adequate balance and appropriate level of experience, skills, cultures, age, and seniority among member of the Board in order to best meet the needs of the Company. The profiles of each director are presented in section 2.2 “Company Officer Profiles”. This policy also aims to achieve a composition that reflects the diversity of the Company’ stakeholders: partner networks, shareholders and employees.

It also incorporates a gender representation requirement in the composition of the Board and its committees. The Board exceeds the applicable legal requirements in this respect, with five out of twelve directors being women (42%)[1]. Every Committee includes a woman among its members and two of the five committees are chaired by women.

This desire for balanced gender representation also extends to the Company’s internal organisation (see section 2.4.3 – Overview of the Executive Committee). The Board of Directors discusses this issue annually during its review of the Report on Professional Equality, on the heels of an in-depth analysis by the Compensation Committee. The report provides figures and describes actions taken to promote balanced gender representation within management bodies and throughout the company in general.

**Training/Seminars:** During 2018, two meetings were organised to enhance both knowledge and skills among directors, thereby enabling them to deepen their understanding of the Company’s business lines and strategic challenges. For example, the directors enhanced their knowledge of Amundi’s Employee Savings and Retirement Benefits business line in order to better grasp the issues associated with the proposed PACTE law in this regard.

At year-end, they also reviewed the Company’s main business lines and the presentation of their objectives to be implemented as part of the Company’s strategy. The Retail business lines were also reviewed with special emphasis on developments in Italy, Institutional and Corporate, Active Management, ETF Management, Smart Beta, and the HR policy.

It should also be noted that the Company CSR strategy approved by the Board was preceded, at the end of 2017, by training regarding the extra-financial analysis completed by the Company and integrated into the management of its financial products.

**Meetings without Senior Executives and Company Officers in attendance:** Alongside these training sessions, in accordance with recommendation 10.3 of the AFEP-MEDEF Code, a meeting of the directors was held without the Chairman of the Board or the Chief Executive Officer attending.

*(1) In accordance with Article L. 225-27 of the French Commercial Code, the Director elected by the employees is not taken into account in the calculation of the gender representation percentage.*

**Assessments:** In 2018, the Board carried out two formal self-assessments at the initiative of the Nominations Committee and as recommended by the AFEP-MEDEF Code. One pertained to the collective functioning of the Board (collective self-assessment) and the second consisted of an individual declaration and self-assessment by each director. Both questionnaires took the form of online panels of theme-based questions. Members completed the collective questionnaire anonymously to preserve their freedom of expression.

The assessment of the collective functioning of the Board measures the effectiveness of its functioning, composition and organisation. For 2018, each director gave his/her assessment of the preparation and implementation of the Board's work, through an assessment of the frequency and quality of meetings. It also commented on the quality of the committees and training exercises. A number of governance issues were addressed such as the balance in the relationship between the Board, Chairman and Senior Management. The Nominations Committee prepared a summary and presented it to the Board: this summary highlighted an overall satisfaction rating of 98.67%, similar to the previous year.

The directors particularly appreciated the efforts made to enhance the Board's collegial spirit and especially approved of the way the Chairman conducts meetings. The Board of Directors maintained its decision to move to the digital transmission of documentation, which will be implemented during 2019.

The self-assessment and individual declaration of each Board member pertains to his/her skills, potential training needs, availability, independence, potential conflicts of interest, good character, and compliance with ethics rules. It also enables the Nominations Committee to support its analysis regarding the Board's collective competence and the actual contribution of each member (see "Profiles of individual Company Officers" and "Skills" below).

**Succession plan:** In 2018, the Nominations Committee presented to the Board a succession plan procedure pertaining to Senior Executives and Company Officers. This procedure stipulates different Committee actions depending on the independent or non-independent classification of the Company Officer to be recruited.

In addition, in the case of the Chief Executive Officer, the procedure states that the Nominations Committee will analyse the candidate(s) proposed by the majority shareholder.

#### 2.3.1.2.1 The Directors

**Competence:** In accordance with banking regulations, the profile of each director was thoroughly examined and individually approved by the European Central Bank (ECB) at the time of their appointment. Their good character, availability and skills were also specifically analysed at that time by the Nominations Committee, on an individual and collective basis.

Each director has declared three main areas of expertise as their individual contribution to the collective competence of the Board (see section 2.2 "Company Officer Profiles" of this Registration Document). These areas of expertise are enhanced by skills undergoing improvement thanks to Board training and meetings. Accordingly, during 2018, directors saw an improvement in their competence, particularly in the following fields: risk and compliance management, banking regulations, technologies and IT security.

**Independent directors:**

The Board of directors refers to the following six criteria as stipulated by article 8.5 of the AFEP-MEDEF Code:

**Summary of Article 8.5 of the AFEP-MEDEF Code:**

**Criterion 1. Employee or Company Officer in the last five years:** *Not to be or have been in the last five years:*

- *employee or Executive Company Officer of the Company;*
- *employee or Executive Company Officer or director of a company consolidated by the Company;*
- *employee or Executive Company Officer or director of the Parent company or a company consolidated by the Parent company.*

**Criterion 2. Cross-directorships:** *Not to be an Executive Company Officer of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an Executive Company Officer of the corporation (currently in office or having held such office during the last five years) is a director.*

**Criterion 3. Significant business relations:** *Not be a customer*[1]*, supplier, commercial banker, investment banker or advisor that is material to the Company or its group, or for a significant part of whose business the Company or its group accounts. The evaluation of the significant or non-significant relationship with the Company or its group must be debated by the Board and the quantitative and qualitative criteria that lead to the evaluation (continuity, economic dependence, exclusivity, etc.) must be explicitly stated in the report on corporate governance.*

**Criterion 4. Family connections:** *Not to be related by close family ties to a Company Officer.*

**Criterion 5. Statutory auditors:** *not to have been an auditor of the Company within the previous five years.*

**Criterion 6. More than 12 years' service:** *Not to have been a director of the Company for more than 12 years. Loss of the status of independent director occurs on the date at which this period of 12 years is reached.*

*(1) Or be directly or indirectly related.*

The table below summarises the individual analysis of each director in relation to these six criteria:

| Director/Independence criteria(1) | Criterion 1 | Criterion 2 | Criterion 3 | Criterion 4 | Criterion 5 | Criterion 6 |
|---|---|---|---|---|---|---|
| Xavier Musca | ✖ | ✔ | ✖ | ✔ | ✔ | ✔ |
| Yves Perrier | ✖ | ✖ | ✖ | ✔ | ✔ | ✔ |
| **Virginie Cayatte** | ✔ | ✔ | ✔ | ✔ | ✔ | ✔ |
| **Laurence Danon-Arnaud** | ✔ | ✔ | ✔ | ✔ | ✔ | ✔ |
| Rémi Garuz | ✖ | ✔ | ✖ | ✔ | ✔ | ✔ |
| William Kadouch-Chassaing | ✖ | ✔ | ✖ | ✔ | ✔ | ✔ |
| **Robert Leblanc** | ✔ | ✔ | ✔ | ✔ | ✔ | ✔ |
| Michel Mathieu | ✖ | ✔ | ✖ | ✔ | ✔ | ✔ |
| **Hélène Molinari** | ✔ | ✔ | ✔ | ✔ | ✔ | ✔ |
| Christian Rouchon | ✖ | ✔ | ✖ | ✔ | ✔ | ✔ |
| Andrée Samat | ✖ | ✔ | ✖ | ✔ | ✔ | ✔ |
| Renée Talamona | ✖ | ✔ | ✖ | ✔ | ✔ | ✔ |
| Eric Tazé-Bernard | ✖ | ✔ | ✖ | ✔ | ✔ | ✔ |

*(1) In the table, ✔ represents an independence criterion that is met, and ✖ represents an independence criterion that is not met.*

The process of evaluating the independence of directors is the responsibility of the Nominations Committee. Accordingly, during its meeting of 12 February 2019, the Board of Directors, having heard the recommendations made by its Nominations Committee, deemed that Virginie Cayatte, Laurence Danon-Arnaud, Robert Leblanc and Hélène Molinari fulfilled all criteria permitting them to be qualified as independent members pursuant to the AFEP-MEDEF Code.

Only Robert Leblanc was the subject of particular scrutiny with regard to the third criterion (article 8.5.3) of the AFEP-MEDEF Code pertaining to business relations. Aon France, of which Robert Leblanc is Chairman, has a business relationship with the Amundi Group. In view of both the quantitative criteria (the amounts involved representing less than 0.01% of revenue for both Aon and Amundi) and the qualitative criteria (the contractual framework of the services is established at the Crédit Agricole Group level), the Board, on the recommendation of the Nominations Committee, decided that the commitments on either side were not of sufficient material import to be qualified as a dependence situation or the source of conflicts of interests.

The Board also noted that the investments made by the funds managed by the Amundi Group as part of its third-party asset management activities, in companies in which a director may hold office, are not included in its analysis.

### 2.3.1.2.2 Director elected by the employees

You are reminded that under article L. 225-27-1 paragraph 3 of the French Commercial Code, the Board of Directors is not required to include a director representing employees, as the Parent company is itself subject to this obligation. Amundi is therefore exempt from the AFEP-MEDEF Code requirements on this point.

Nevertheless, the Board of Directors wished to use the optional regime set out in article L. 225-27 of the French Commercial Code, under which a Director may be elected by the Company's employees, and accordingly proposed to the AGM that the Articles of Association be amended to provide for this. This proposal was approved at the AGM of 12 May 2016.

Éric Tazé-Bernard was thus elected as a Director on 12 October 2016 on the first round of voting, with 55.59% of votes cast. He began his three-year term of office as from the date the results were announced.

The Board also decided to appoint Éric Tazé-Bernard to a specialised Committee. The decision on his participation in committees was guided by a desire to balance the composition of the various committees and the Board's wish to use his competences to the best possible advantage. It was therefore decided to appoint him to the Risk Management Committee, in view of the technical nature of some of the issues dealt with therein, which matched his personal experience.

His term of office is expiring and new elections will be organised prior to the 2019 AGM.

### 2.3.1.2.3 Non-voting members

The Board has designated two non-voting members:

- Jean-Michel Forest, Chairman of the Crédit Agricole Caisse Régionale Loire Haute-Loire;
- Gianni Franco Papa, representative of Amundi's new Italian network partner, UniCredit.

Under the Articles of Association, non-voting members are invited to attend Board and, where applicable, Committee meetings in a consultative capacity. In this way they fulfil their role as advisors to the Board.

Non-voting members are considered to be full members of the Board and accordingly comply with all rules applicable to Directors (stock market ethics charter and directors' charter).

### 2.3.1.3 DECLARATIONS CONCERNING COMPANY OFFICERS

All the declarations shown below were prepared on the basis of the individual self-assessment questionnaire provided to each director online.

#### 2.3.1.3.1 No family ties

To the Company's knowledge, as of the filing date of this Registration Document, there are no family ties among the members of the Board of Directors listed above and the members of the Company's Senior Management.

#### 2.3.1.3.2 No convictions

To the Company's knowledge, during the last five years: (i) none of the above persons has been convicted of fraud, (ii) none of the above persons has been associated with any bankruptcy, receivership or liquidation, (iii) no accusation or official public sanctions have been pronounced against any of the above persons by statutory or regulatory authorities (including designated professional bodies), and (iv) none of the above persons has been disqualified by a court from acting as a member of the administrative, management or supervisory body of any company, or from being involved in the management or performance of business of any company.

#### 2.3.1.3.3 Conflicts of interests

To the Company's knowledge, and subject to the relationships described in note 9.2 "Related Parties" of the consolidated financial statements (Chapter 6 of this Registration Document), as of the filing date of this Registration Document, there are no potential conflicts of interests between the duties owed to the Company by the members of the Board of Directors or the Company's Senior Management and their private interests.

However, it is specified, pursuant to the Partnership Agreement between the Company, Société Générale and Crédit Agricole, dated 17 June 2015, that Crédit Agricole has made a commitment to Société Générale to ensure that, so long as all of the distribution agreements with Société Générale, Crédit du Nord and Komerční Banka and the management mandate with Sogecap are in effect, a director of the Company will be appointed based on a proposal made by Société Générale. Accordingly, William Kadouch-Chassaing was appointed as member of the Company's Board of Directors to replace Laurent Goutard in 2018.

A number of Directors were appointed in their own name based on a proposal by Crédit Agricole, the majority shareholder: Xavier Musca, Yves Perrier, Rémi Garuz, Michel Mathieu, Christian Rouchon, Andrée Samat and Renée Talamona.

At the filing date of this Registration Document no restrictions have been accepted by the members of the Board of Directors or the members of the Company's Senior Management on the sale of their shares in the Company, other than the following: (i) rules to prevent insider trading and (ii) recommendations of the AFEP-MEDEF Code obliging directors to hold shares (except the director elected by the employees), translated as the requirement to hold 200 shares set out in article 10 of the Articles of Association.

Finally, no service agreement has been signed that binds any members of the administrative or management bodies of the issuer or any of its subsidiaries, and provides benefits at its conclusion.

Elements relating to the management of conflicts of interests are mainly covered by the Company's Directors' Charter, as detailed below:

**Annex I to the Internal Regulations – Article 9 Conflicts of interest and inside information**

*The Director reads and complies with Amundi's Market Ethics Charter.*

*Furthermore, the Director informs the Board of any conflict of interests including potential ones, in which he could be directly or indirectly implicated. He refrains from participating in the discussions and taking decisions on the subjects concerned.*

*The Director refrains from using for his personal benefit or for the benefit of whomsoever the inside information to which he has access. The Director refrains from carrying out any transaction on Amundi shares during the 30 calendar days that precede the publication of the yearly and half-yearly results and during the 15 calendar days that precede the publication of the quarterly financial information, as well as the day of the said publications.*

*The Director must, in application of the Market in Financial Instruments Directive (MiFID), declare any personal transaction on a financial instrument if he considers that he potentially is in a situation of conflicts of interests or if he holds confidential information likely to be considered as inside information and acquired in relation to his Director's duties.*

*A document summarising the transactions and persons concerned by the declarations under the MiFID, as well as the declaration methods and a form are attached to this Charter.*

#### 2.3.1.3.4 Trading in the Company's shares

To the Company's knowledge, in 2018, Amundi managers and/or other persons mentioned in article L. 621-18 of the French Monetary and Financial Code, including directors, conducted the following transactions of the types specified in the same article on the Company's shares.

| Name and position | Transactions performed by members of the Board of Directors or Senior Executives for personal reasons and by related persons. |
|---|---|
| **Yves Perrier**<br>Chief Executive Officer<br>Closely-related person | Acquisition of 2,500 Amundi shares at an average unit price of €48.6119 on 22 November 2018<br>Acquisition of 1,515 Amundi shares at an average unit price of €47.1856 on 21 November 2018<br>Acquisition of 985 Amundi shares at an average unit price of €47.1564 on 21 November 2018 |
| **Guillaume Lesage**<br>Head of the Operations, Services and Technology Division, member of the Executive Committee | Acquisition of 772.3490 shares of the Amundi Actionnariat company mutual fund at a unit price of €51.79 on 29 June 2018 |
| **Dominique Carrel-Billiard**<br>Head of the Institutional and Corporate Clients Division member of the Executive Committee | Acquisition of 772.3500 shares of the Amundi Actionnariat company mutual fund at a unit price of €51.79 on 23 June 2018 |

As a reminder, each of these individuals is by definition someone with permanent inside knowledge, they are subject to the rules regarding "open and closed trading windows" when trading in Company shares. The dates corresponding to these windows are provided to directors at year-end for the following financial year.

## 2.3.3 Activities of the Board of Directors in 2018

In 2018, the Board of Directors held six meetings marked by strong engagement on the part of the Directors who achieved an attendance rate in excess of 97%.

The Board discussed and resolved the following points in 2018, after consulting the specialised committees where required:

### BUSINESS, STRATEGY AND CSR

At each quarterly meeting, the Board of Directors examined the evolution of the performance of the various products managed by all the Amundi Group's management companies and the various activities undertaken or expanded in the Group as well as their contributions to the Company's results. It also regularly analysed movements in the Company's share price and its coverage by analysts.

The Board of Directors closely monitored the various Pioneer consolidation projects within the Amundi Group. It also defined the 2018-2020 strategic goals, which include an enhanced Company commitment to being a responsible financial actor. The Board also held a year-end meeting specifically dedicated to a strategic review of all the Company's major business lines, and the strategies to be implemented in years to come.

With respect to ESG, the Board approved an ambitious three-year plan to strengthen the Company's commitment based on three priorities: making ESG (Environment, Social, Governance) criteria routine factors in fund management, advisory services for institutional clients and fund-raising dedicated to projects connected to energy transition or having a powerful social impact.

### EXAMINATION OF FINANCIAL STATEMENTS AND FINANCIAL INFORMATION, RELATIONS WITH THE STATUTORY AUDITORS

In addition to preparing the annual Parent company and consolidated financial statements, the Board also examined the half-yearly and quarterly results for 2018. On each of these occasions it heard from the statutory auditors, who presented their findings. It approved all the financial documentation prepared for this occasion.

At the end of 2018, the Board of Directors also considered the financial trajectory of the Company for the 2018-2022 period.

### RISKS AND INTERNAL CONTROL

Each quarter, the Board of Directors examines in detail the changes and events of internal control *via* a presentation by the Head of Business, Support and Control and the report of the Risk Management Committee.

It also approves the annual internal control report prepared pursuant to banking regulations and provided to the ACPR, as well as the half-year report on internal control provided to the majority shareholder.

During 2018, it also worked to achieve a more specific analysis of the potential risks generated by the macro-economic context in Italy, as well as the specific subject of legal and non-compliance risks.

### CORPORATE GOVERNANCE AND COMPENSATION

The Board's discussion of governance and compensation matters principally addressed the following points:

- the replacement of François Veverka by Gianni Franco Papa in the position of non-voting member;
- the co-option of William Kadouch-Chassaing as director to replace Laurent Goutard, who resigned;
- the preparation and convening of the Ordinary AGM of 15 May 2018;
- the implementation of a capital increase reserved for employees;
- the settlement of the compensation principles and policy for 2018, including the overall amount of compensation paid in the year just ended to the effective managers within the meaning of Article L. 511-13 of the French Monetary and Financial Code and to the categories of identified employees within the meaning of Article L. 511-71 of the same Code;
- compensation of Senior Executives and Company Officers;
- allocation among the Board members of directors' fees for the year;
- the report on professional and pay equality for 2017, based on article L. 225-37-1 of the French Commercial Code.

The Board of Directors also adopted the Code of Ethics of the Crédit Agricole Group, thus reinforcing the Group's commitment to behaving according to all its values and principles of action in relation to its clients, partners, shareholders, and suppliers, as well as all those with whom it interacts. This includes acting as a responsible employer towards its employees. This Code is available on the Company's website.

Finally, in early 2019, the Board prepared the 2019 AGM and drafted the components of this Registration Document.

### REGULATED AGREEMENTS

During the course of the 2018 financial year, no regulated agreements, pursuant to the meaning of article L. 225-38 of the French Commercial Code, were signed. The Board of Directors only noted the continuation of two agreements signed and authorised in 2015. These two agreements remain under the scope of application of regulated agreements and consist of :

- the charge-back agreement for 80% of Yves Perrier's overall compensation
- the partnership agreement with Crédit Agricole S.A. on industrial agreements signed with the Société Générale and Crédit Agricole S.A. groups.

## 2.3.4 Overview of the specialised committees and their activities in 2018

In accordance with the Company's Articles of Association and the applicable banking regulations, the Board has set up specialised committees that are tasked with carrying out detailed examinations of specific matters relating to the Board of Directors' mandate. These committees have no decision-making powers. Their task is to study any issue relating to the Company that is submitted to them by the Board or by the Chairman, to carry out preliminary work and prepare for the decisions by the Board in the form of reports, proposals, opinions, information or recommendations.

The Committee members are appointed by the Board of Directors, which may remove them at any time. A member of a Committee may discontinue his or her functions at any time. All members of the committees and anyone attending the Committee meetings are bound by professional confidentiality.

The Chairman of each Committee will call the meetings and validate the meeting agenda or the main purpose, taking into consideration the requests of members, and in accordance with the committee's powers. The Board of Directors may also make a specific request to each Committee within the scope of its powers, and may ask the Committee's Chairman to call an exceptional meeting on that topic.

The members of each Committee must receive information sufficiently far in advance of the meeting to enable them to make an informed decision. In order to validly deliberate, at least one-half of the Committee's members must be present. Opinions and recommendations made to the Board of Directors are adopted by a majority of members present or represented.

The Chairman of each Committee will lead the discussions and report the Committee's recommendations, opinions or proposals to the Board of Directors.

Minutes must be prepared and distributed to committee members following each meeting. The minutes must include the opinion of every member. Once approved, these minutes are provided to all directors.

The Committee may obtain the opinion of any person, including a third party, who may shed light on a subject being discussed.

The composition of the committees changed little in 2018 and complies with the recommendations of the AFEP-MEDEF Code.

As a reminder, five specialised committees exist: they are presented below:

## 2.3.4.1 AUDIT COMMITTEE

### Composition and changes

The composition of the Audit Committee did not change in 2018. Two thirds of its members are independent and it is made up of experts in financial matters:

| AUDIT COMMITTEE | Number of members 3 | Number of meetings 4 | Overall attendance rate 93% |
|---|---|---|---|
| NAME | STATUS | POSITION | MAIN AREAS OF EXPERTISE* |
| CHRISTIAN ROUCHON ✪ | Director representing the Crédit Agricole Group | Chief Executive Officer of Caisse Régionale | |
| VIRGINIE CAYATTE | Independent director | CFO | |
| ROBERT LEBLANC | Independent director | Company manager | |

✪ *Chairman*

To support these three members, Jean-Michel Forest, non-voting member, also attends Committee meetings and provides his perspective as Chairman of a Caisse Régionale of Crédit Agricole, which is both a client and shareholder of the Company.

At the Committee's request, the Head of "Business, Support and Control" (BSC), the CFO, the Head of Risk Management and the statutory auditors also attend all meetings. Other individuals may be called upon to make one-off presentations on specific topics at the express request of the Committee.

### 2018 missions and activities

*The missions entrusted to the Audit Committee by the Board of Directors are detailed in Article 4.2 of the Internal Regulations featured in Chapter 8 of this Registration Document.*

**Work generated by these recurring missions:**

- analysis of the business and the 2017 parent company and consolidated financial statements; as well as the quarterly and half-year statements for 2018;
- analysis and comments on draft press releases regarding the publication of results;
- analysis of 2017 regulated agreements;
- Interview of statutory auditors regarding their approach and audit work, as well as their independence;
- oversight of the completion of work beyond the audit performed by the Statutory Auditors firms.

**Specific in-depth analyses:**

- information regarding the presentation of the new Amundi Services business line;
- analysis of the implementation of the share buyback programme in the context of the awarding of performance shares;
- examination of the correlation between product performance and deposit-taking and information regarding the projected overhaul of Amundi's product ranges as part of the Pioneer acquisition.

Accounting and financial information
Risk management, compliance and audit
Asset management and financial markets
Strategic planning

* See page 48 for definitions of the main areas of expertise.

### 2.3.4.2 RISK MANAGEMENT COMMITTEE

**Composition and changes**

The composition of the Risk Management Committee did not change in 2018. As a reminder, its existence and composition are dictated by banking regulations.

| RISK MANAGEMENT COMMITTEE | Number of members 4 | Number of meetings 6 | Overall attendance rate 93% |
|---|---|---|---|
| NAME | STATUS | POSITION | MAIN AREAS OF EXPERTISE* |
| CHRISTIAN ROUCHON ✪ | Director representing the Crédit Agricole Group | Chief Executive Officer of Caisse Régionale | |
| VIRGINIE CAYATTE | Independent director | CFO | |
| RENEE TALAMONA | Director representing the Crédit Agricole Group | Chief Executive Officer of Caisse Régionale | |
| ERIC TAZE-BERNARD | Director elected by the employees | Chief allocation advisor for institutional investors | |

✪ *Chairman*

To support these four members, Jean-Michel Forest, non-voting member, also attends Committee meetings and provides his perspective as Chairman of a Caisse Régionale of Crédit Agricole, which is both a client and shareholder of the Company.

At the Committee's request the Head of "Business, Support and Control" (BSC), the Heads of Risk Management, Compliance and Audit, as well as the CFO and statutory auditors also take part in these meetings. Other individuals may be called upon to make one-off presentations on specific topics at the express request of the Committee.

**2018 missions and activities**

*The missions entrusted to the Risk Management Committee by the Board of Directors are detailed in Article 4.3 of the Internal Regulations featured in Chapter 8 of this Registration Document*

**Work generated by its recurring missions:**

- analysis of internal control activities, based on the presentation of each branch of internal control;
- study and recommendation on changes to the internal control system;
- analysis and recommendation on ICAAP and ILLAP reportings[(1)];
- examination of the effectiveness of the Volcker compliance programme;
- examination of the annual and half-year internal control reports intended for the ACPR and the majority shareholder;
- recurring monitoring of the work performed by the Audit team, as well as the implementation of recommendations;
- quarterly monitoring of the exercise of risk with regard to the risk appetency level approved by the Board;
- recommendations as part of the risk strategy decided by the Board;
- verification of the compatibility of the compensation policy with the economic and prudential situation of Amundi.

**Specific in-depth analyses:**

- focus on legal and non-compliance risks;
- information on the connection between Management and Risks illustrated by monetary management;
- in-depth analysis of changes in the macro-economic and political situation in Italy and its potential sources of risk for Amundi's business;
- consideration of planned European and/or global regulations on asset management;
- examination of the European PRIIPS and MiFID directives and their potential sources of risk for Amundi's business;
- information regarding the Fund Channel activity.

Governance and compensation — Sales and Marketing — Banking regulations — International group management

(1) *ICAAP: Internal Capital Adequacy Assessment Process – ILAAP: Internal Liquidity Adequacy Assessment Process.*
* *See page 48 for definitions of the main areas of expertise.*

## 2.3.4.3 STRATEGIC AND CSR COMMITTEE

### Composition and changes

The composition of the Strategic and CSR Committee did not change in 2018.

It is chaired by an independent member who has the expertise required for the missions of the Committee, and comprises the Chief Executive Officer and the Chairman of the Board of Directors.

| STRATEGIC AND CSR COMMITTEE | Number of members 3 | Number of meetings 2 | Overall attendance rate 100% |
|---|---|---|---|
| NAME | STATUS | POSITION | MAIN AREAS OF EXPERTISE* |
| LAURENCE DANON-ARNAUD ✪ | Independent director | Former company manager | |
| XAVIER MUSCA | Director representing the group Crédit Agricole | Deputy CEO of Crédit Agricole, majority shareholder | |
| YVES PERRIER | CEO and Director | Amundi CEO | |

✪ *Chairman*

At the request of the Committee, the Chief Financial Officer, the person responsible for the CSR report or any other occasional participants may be called upon to take part in certain meetings.

### 2018 missions and activities

*The missions entrusted to the Strategic and CSR Committee by the Board of Directors are detailed in Article 4.6 of the Internal Regulations featured in Chapter 8 of this Registration Document.*

**Work generated by its recurring missions:**

- analysis of the annual report in relation to 2017 social, environmental and societal information;
- recommendations regarding the 2020 strategic objectives adopted by the Board.

**Specific in-depth analyses:**

- examination of a potential acquisition.

**Accounting and financial information** — **Risk management, compliance and audit** — **Asset management and financial markets** — **Strategic planning**

* See page 48 for definitions of the main areas of expertise.

## 2.3.4.4 COMPENSATION COMMITTEE

### Composition and changes

The composition of the Compensation Committee did not change in 2018. Two thirds of its members are independent and it is chaired by one of them. Its three members have areas of expertise that are of specific use for the work of the Committee.

| COMPENSATION COMMITTEE | Number of members<br>3 | Number of meetings<br>2 | Overall attendance rate<br>100% |
|---|---|---|---|
| NAME | STATUS | POSITION | MAIN AREAS OF EXPERTISE* |
| ROBERT LEBLANC✪ | Independent director | Company manager | |
| LAURENCE DANON-ARNAUD | Independent director | Former company manager | |
| XAVIER MUSCA | Director representing the group Crédit Agricole | Deputy CEO of Crédit Agricole, majority shareholder | |

✪ *Chairman*

At the request of the Committee, the Head of the Business Support and Control Division (BSC), the Head of Human Resources, or the Chief Executive Officer may be asked to attend the Committee meetings.

### 2018 missions and activities

*The missions entrusted to the Compensation Committee by the Board of Directors are detailed in Article 4.4 of the Internal Regulations featured in Chapter 8 of this Registration Document.*

**Work generated by its recurring missions:**

- examination of the compensation policy and its changes in 2018 in the context of the consolidation of Pioneer;
- analysis of the total amount of 2017 variable compensation with regard to the Company's financial results;
- examination of the compensation of AIFM/UCIT V/CRD IV "identified personnel";
- information regarding the compensation of members of the Executive Committee;
- recommendation regarding the 2018 performance share plan (LTI) and its beneficiaries;
- proposed allocation of directors' fees in accordance with the rules adopted by the Board;
- examination of the proposed compensation for Senior Executives and Company Officers for 2017 as well as the principles for their compensation in 2018;
- analysis of the objectives set for the Chief Executive Officer for 2018.

**Specific in-depth analyses:**

- analysis of the adjustment of the performance conditions for the performance share plan (LTI) of February 2017 following the acquisition of the Pioneer group;
- analysis of the methods for the calculation of the indexing of the deferred portion of the Chief Executive Officer's variable compensation for the 2015 and 2016 financial years;
- examination of changes in the list of beneficiaries of the 2018 performance share plan (LTI).

Governance and compensation

Sales and Marketing

Banking regulations

International group management

* See page 48 for definitions of the main areas of expertise.

## 2.3.4.5 NOMINATIONS COMMITTEE

### Composition and changes

The composition of the Nominations Committee, compliant with the AFEP-MEDEF Code and banking regulations, has not changed in 2018. Two thirds of its members are independent and it is chaired by one of them. Its three members have areas of expertise that are of specific use for the work of the Committee.

| NOMINATIONS COMMITTEE | Number of members 3 | Number of meetings 2 | Overall attendance rate 100% |
|---|---|---|---|
| NAME | STATUS | POSITION | MAIN AREAS OF EXPERTISE* |
| HÉLÈNE MOLINARI✪ | Independent director | Former Deputy CEO of MEDEF |  |
| ROBERT LEBLANC | Independent director | Company manager |  |
| XAVIER MUSCA | Director representing the group Crédit Agricole | Deputy CEO of Crédit Agricole, majority shareholder |  |

✪ *Chairman*

At the request of the Committee, the Head of the Business Support and Control Division (BSC) and the Secretariat of the Board may attend the Committee meetings.

### 2018 missions and activities

*The missions entrusted to the Nominations Committee by the Board of Directors are detailed in Article 4.5 of the Internal Regulations featured in Chapter 8 of this Registration Document.*

**Work generated by its recurring missions:**

- analysis and evaluation of the independence criteria of directors qualified as such;
- analysis of the composition of the Board and its committees, with regard to its desirable balance, its diversity in terms of parity, age, expertise, experience and its adequacy to its needs and changes in its activities;
- examination of the individual skills and contributions of Board members resulting in the necessary collective skills;
- analysis of the results of the collective and individual self-assessment questionnaires and the recommendations for improvement priorities;
- recommendations regarding the expiration of Directors' terms of office;
- participation in the writing of the draft of Corporate Governance Report.

**Specific analyses:**

- proposal to replace François Veverka as non-voting member by Gianni Franco Papa, thus enabling the Board to bolster its ties with a strategic partner, UniCredit, and to improve the Board's international dimension, a needed improvement identified in 2017;
- favourable opinion on the proposal to co-opt William Kadouch-Chassaing to replace Laurent Goutard as the director representing the Société Générale network. This opinion is mainly based on the fact that he was formerly a Company director and his skills complement those already present in the Board;
- drafting of a succession plan procedure for directors and Senior Executive and Company Officers of the Company.

Accounting and financial information

Risk management, compliance and audit

Asset management and financial markets

Strategic planning

Governance and compensation

Sales and Marketing

Banking regulations

International group management

* See page 48 for definitions of the main areas of expertise.

## 2.3.5 Reference to a Corporate Governance Code

The Company refers to the Corporate Governance Code for Listed Companies, published by AFEP and MEDEF (the "AFEP-MEDEF Code" as revised in June 2018). The Code can be viewed at http://www.afep.com/or http://www.medef.com/.

The Company complies with all the recommendations in this Code.

The following points should however be noted:

| | |
|---|---|
| **Article 21** | **Termination of employment contracts for company officers** |
| "When an employee is appointed as Senior Executive and Company officer, it is recommended to terminate his or her employment contract with the company or with a company affiliated to the group, whether through contractual termination or resignation". | Yves Perrier is a member of the Executive Committee and Deputy General Manager, Head of the Savings, Insurance the Savings, Insurance and Real Estate Division of Crédit Agricole S.A.. In this respect, he oversees other activities of the group Crédit Agricole, such as the insurance and real estate activities of certain subsidiaries such as Prédica, Pacifica and Crédit Agricole Immobilier and accordingly has an employment contract with Crédit Agricole S.A. Yves Perrier will continue to benefit from this contract with Crédit Agricole S.A., by virtue of the above functions.<br>Recommendation 21-3 of the AFEP-MEDEF Code regarding the termination of the employment contract of a Company Officer does not apply to "employees of a group of companies who act as Senior Executives and Company Officers in a listed or unlisted subsidiary of the Group." Yves Perrier's contractual position therefore complies with the Code. |
| **Article 22** | **Obligation of Senior Executive and company officers to hold shares** |
| "The Board of Directors defines a minimum number of registered shares that the Company Officers must retain through to the end of their term of office. This decision is reviewed at least on each extension of their term of office". | The Company's Articles of Association require that each director hold at least 200 shares of the Company. The decision to acquire additional shares is to be made by each director individually.<br>In this respect, the Chairman of the Board of Directors and Chief Executive Officer, who is also a Director, comply with the Articles of Association.<br>As the requirement to hold a minimum number of shares is imposed by the Articles of Association, this number is not reviewed at each reappointment.<br>No other special provisions have been put in place for the Senior Executives and Company Officers. Any such provision would be redundant as no share options or performance shares have been granted to Senior Executives and Company Officers and a substantial part of Executive Company Officers' compensation depends on and/or is indexed to Amundi's performance. |
| **Article 24** | **Compensation of Senior Executives and Company Officers** |
| **24.5.1** | **Departure of Senior Executive Company Officers** |
| Severance pay for termination | Yves Perrier's contract as CEO does not foresee any severance pay in case of a termination of his office within Amundi.<br>If Yves Perrier were to receive any severance pay, it would be on the basis of the termination of his employment contract with Crédit Agricole S.A. and the end of his term of office within Crédit Agricole S.A. and this compensation would not be subject to performance conditions. This compensation would be at the sole charge of Crédit Agricole S.A. and would not be subject to any reinvoicing to Amundi.<br>This compensation would correspond to two years of compensation (fixed + variable). |

## 2.3.6 Internal Regulations of the Board of Directors

The Board of Directors' Internal Regulations are published in Chapter 8 of this Registration Document and on the Company's website: http://about.amundi.com/ Shareholders heading/Our group/The governance.

They consist of four main sections, related to the powers of the Chairman of the Board, the powers of the Board and of the CEO, the functioning of the Board, and to its specialised committees.

Two Charters (Directors' Charter and Stock Market Ethics Charter) are attached to the Internal Regulations. All Directors and Non-voting members are required to accept these regulations individually when taking office.

The Board of Directors has adapted its Internal Regulations to achieve compliance with the latest version of the AFEP-MEDEF Code of June 2018. These updates mainly pertain to the missions of the Board of Directors (article 2).

# 2.4 SENIOR EXECUTIVES AND COMPANY OFFICERS AND THE EXECUTIVE COMMITTEE

The Company is managed by a Chief Executive Officer whose functions are separate from the chairmanship of the Board. This Chief Executive Officer is assisted by an Executive Committee in the performance of his general duties.

In accordance with article 15 of the Company's Articles of Association and article L. 511-58 of the French Monetary and Financial Code, which requires that the Board of Directors of a credit institution cannot be chaired by the CEO, the Board of Directors, at its meeting on 15 September 2015, decided that the functions of Chairman of the Board of Directors and of CEO of the Company would remain separate.

## 2.4.1 The Chairman of the Board and his duties

Since 28 April 2016, Xavier Musca has chaired the Company's Board of Directors, having been a Director since 2012.

In fulfilment of his legal duties, the Chairman of the Board of Directors:

- draws up the agendas for Board meetings and ensures directors have the information they need to make informed decisions;
- encourages and promotes discussion within the Board;
- ensures that decisions taken by the Board are clear.

Xavier Musca is also a member of the Strategic and CSR Commitee, Nominations and Compensation Committees, giving him a full and comprehensive vision of the smooth functioning of the Board of Directors.

In addition to a minimum of bimonthly meetings with the Company's CEO, the Chairman was heavily involved in monitoring the consolidation of Pioneer in 2018. He also expressed the need to better identify and monitor legal and regulatory risks at the Board level. Lastly, he played an active role in the preparation of the exceptional Board meeting regarding Amundi's strategic planning.

Biographical information about Xavier Musca, who is also a member of the Board of Directors, is included in section 2.2 "Company Officers Profiles".

## 2.4.2 The Chief Executive Officer and his powers

Yves Perrier was appointed CEO of the Company on 18 September 2007, and was reconfirmed when Amundi[1] was formed on 23 December 2009. The Board of Directors' meeting of 15 September 2015 decided to reappoint him in his role for an indefinite period.

In accordance with the Articles of Association (article 15) and the Board of Directors' Internal Regulations (article 2.2) *"The Chief Executive Officer has the broadest powers to act in all circumstances in the name of the Company. He/she exercises these powers within the limit of the corporate purpose and subject to those powers that the law expressly grants to the shareholders' meetings and the Board of Directors. He/she represents the Company in its dealings with third parties.*

*However, he/she must obtain the prior approval of the Board of Directors for the following transactions:*

- *the creation, acquisition or sale of any subsidiaries or equity investments in France or abroad, where the overall investment is greater than €100 million;*
- *any other investment or divestment of any kind whatsoever in an amount greater than €100 million.*

*If urgency makes it impossible to convene a Board meeting to vote on a transaction falling into one of these categories, the CEO must do the necessary to obtain the opinion of all of the directors and, at the very least, of the members of the Strategic Committee, before making a decision. Where that is impossible, the CEO may, by agreement with the Chairman, make any decision in the Company's interest in the areas listed above. He/she must report on any such decisions at the next Board meeting.*

*Any significant transaction outside the announced strategy of the Company is subject to prior approval by the Board of Directors."*

Biographical information about Yves Perrier, who is also a Director, is included in section 2.2, "Company Officer Profiles".

(1) *Formerly known as Crédit Agricole Asset Management Group, the Company was renamed Amundi at the time of the merger of the asset management companies of Société Générale and Crédit Agricole in December 2009.*

## 2.4.3 Overview of the Executive Committee

The Chief Executive Officer relies on the Executive Committee whose objective is to permit the consistent and effective deployment of its strategy in all countries where the Amundi Group is present. Strategy is set at global level, then implemented locally by delegating responsibility to teams based on the specificities of each country, in order to maximise the satisfaction of retail, institutional and corporate customers. The Executive Committee's mission is therefore to define the strategy of the entire Group and to ensure its implementation. It also sets the principles that govern the selection of activities and establishes the policy for marketing, the control of results, risks and compliance.

This Committee comprised 26 members at 1 February 2019:

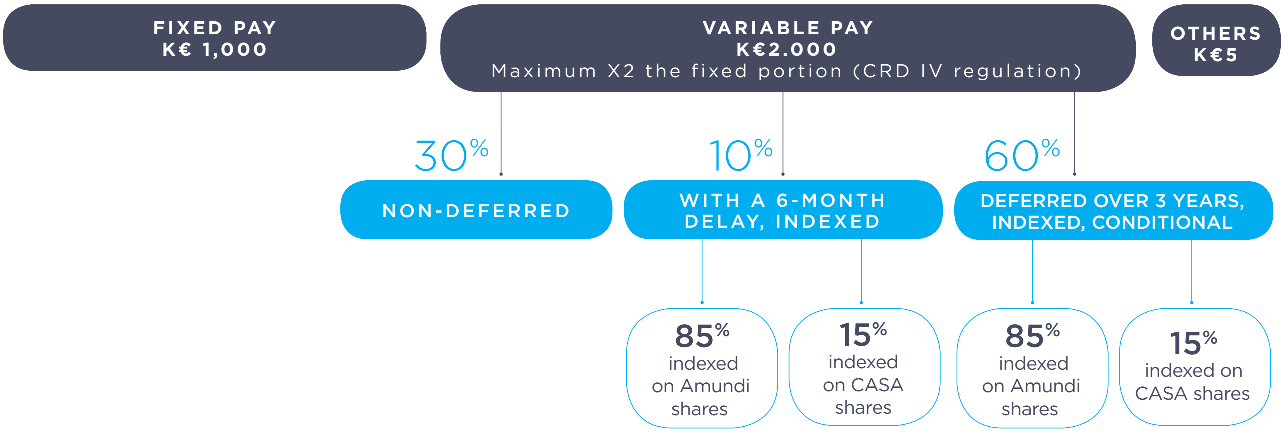
| | Name | Main functions within the Group | Date joined the Executive Committee |
|---|---|---|---|
| **Executive Committee** | Yves Perrier | Chief Executive Officer of the Company<br>Deputy General Manager, Head of the Savings, Insurance and Real Estate Division of Crédit Agricole S.A.. | 2010 |
| | Bernard de Wit | Head of the Business Support and Control Division, Second Executive Director | 2010 |
| | Pascal Blanqué | Group Chief Investment Officer | 2010 |
| | Dominique Carrel-Billiard | Head of the Institutional and Corporate Clients Division | 2017 |
| | Fathi Jerfel | Head of the Retail Clients Division | 2010 |
| | Guillaume Lesage | Head of the Operations, Services and Technology Division | 2016 |
| | Jean-Jacques Barberis | Co-Head of Institutional Client Coverage | 2016 |
| | Valérie Baudson | CEO of CPR AM and Head of ETF, Indexing and Smart Beta | 2013 |
| | Nicolas Calcoen | Group Chief Financial and Strategy Officer | 2011 |
| | Vincent Mortier | Deputy Chief Investment Officer, oversees Northern and Southeast Asia | 2015 |
| | Isabelle Seneterre | Head of Human Resources | 2011 |
| | Domenico Aiello | Group Deputy Chief Financial Officer | 2017 |
| | Pedro Antonio Arias | Head of the Alternative and Real Assets Business Line (PARA) | 2013 |
| | Alain Berry | Head of Communication | 2010 |
| | Laurent Bertiau | Head of Japan | 2010 |
| | Éric Brard | Chief Investment Officer, Rates and Credit | 2011 |
| | Pascal Duval | Head of Retail Solutions | 2018 |
| | Julien Fontaine | Head of partnerships | 2018 |
| | Matteo Germano | Head of Multi-Asset and CIO Italy | 2017 |
| | David Harte | Ireland Chief Executive Officer and Deputy Head of Operations, Service and Technology Division | 2017 |
| | Lisa Jones | Head of Americas | 2017 |
| | Werner Kretschmer | Head of Central and Eastern Europe | 2017 |
| | Christian Pellis | Head of Third-Party Distributors, oversees Spain | 2016 |
| | Stanislas Pottier | Head of Responsible Investment | 2018 |
| | Cinzia Tagliabue | Deputy Head of Retail Clients Division, Chief Executive Officer Italy. | 2017 |
| | Éric Vandamme | Chief Risk Officer | 2013 |

**Diversity policy applied within the Company:** The concept of gender-balanced representation is also applied to the internal organisation of the Company.

Figures at end-2018 show that the percentage of women within the Amundi Group is 42%. Their representation on the Executive Committee is 15%. Among "Key People", a concept that was redefined in 2018, the percentage of women is 22%, *i.e.* 64 women out a total of 292 persons.

# COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

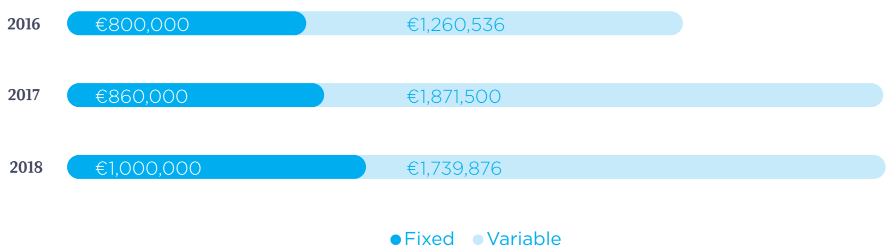
## PROPOSED COMPENSATION FOR 2018*




## COMPENSATION OVER THE LAST THREE YEARS

### Amounts due for the year**


### Amounts paid*




* *Taking into account indexation rules.*
** *Excluding benefits in kind.*

# 2.5 COMPENSATION POLICY

## 2.5.1 General principles applicable to all Amundi employees and executive managers

### PRINCIPLES

Amundi's compensation policy is in line with the economic strategy and the long-term objectives, values and interests of the Company and funds under management and with those of investors, in sound and controlled risk management. Amundi's compensation policy applies to all Amundi employees and Senior Executives.

All employees are entitled to all or some of the following items of compensation, depending on the responsibilities held and place of work:

- the fixed compensation rewards the missions, responsibilities and ongoing achievements as part of the position held by the employees;
- individual variable compensation measures individual contributions to collective performance and is broken down into two parts:
  - the annual bonus recognizing individual performance,
  - the performance share plan (known as the LTI) aiming at motivating certain executives to achieve the sales and financial objectives of Amundi's Medium-Term Plan communicated to the market;
- the collective variable compensation ensures employees' share in the returns of financial performance generated by Amundi;
- the employee benefits offer protection to employees and their families and help them prepare for retirement.

The total variable compensation is approved by the Board of Directors after review by the Compensation Committee and is determined on the basis of a percentage of the gross operating income.

The allocation of this pool within the different business lines and entities is based on the contribution of each team to the collective performance.

The individual allocation of items of variable compensation is determined on a discretionary basis and is based on management's assessment of individual performance, taking into account:

- objective, quantitative and qualitative criteria, as well as an appropriate timescale (short-to long-term), depending on the office held;
- compliance with rules, risk limits and client interest.

Since 2008, a portion of the variable compensation is deferred in accordance with the economic strategy, long-term objectives and sound risk management. The highest variable compensation amounts are therefore partly deferred and spread out over a minimum period of three years. They are only paid if the performance conditions are met and in the absence of risky professional behaviour during the period.

In addition, the Amundi variable compensation system is consistent with sound and controlled risk management:

- by specifying, as criteria used in the awarding of individual bonuses, that risk and compliance regulations must be respected as well as these quantitative criteria associating risk to performance for investment managers (Information ratio/Sharpe ratio at one, three and five years);
- by including the opinion of an *ad hoc* Committee in the award and the vesting of deferred variable compensation, which makes it possible to adjust variable compensation according to the risk recorded *ex post*.

### 2018 HIGHLIGHTS

The AGM held on May 18th, 2017 authorised the Board of Directors to grant performance shares (existing or to be issued) to some or all of the Group's employees and Company officers. This authorisation is valid for up to 2% of the maximum share capital. In any one year, the total number of shares that can be granted under this authorisation to the Senior Executive and Company Officers cannot be greater than 10% of the performance shares granted during that year.

The Board of Directors of 13 December 2017 decided upon the terms, specific conditions and beneficiaries of a performance share plan. Based on this total number of shares, the Board of Directors of 1 August 2018 approved the principle of an allocation to several beneficiaries for recruitment and retention purposes. The performance shares thus allocated will be subject to a gradual vesting period of three years, and will all be conditional on the absence of risky professional behaviour, continued employment on the vesting date, and the achievement of performance conditions defined by the Board of Directors in connection with the Amundi Group Medium-Term Plan.

Furthermore, Amundi has not put in place any stock option plans for its employees.

Lastly, in order to involve the employees of the Amundi Group post-merger with Pioneer, the Board of Directors decided to use the delegation of authority granted by the AGM of May 18th, 2017 and to carry out a capital increase during 2018 reserved for all Amundi employees who are members of the savings plans.

## 2.5.2 Compensation Governance

Amundi oversees the compensation policies and practices applicable to all Amundi entities to ensure consistent compliance with Group-wide guidelines and rigorous application of compensation policies in force (AIFM/UCITS V and CRD IV).

The Human Resources Department is responsible under the direct supervision of the Senior Management for implementing the compensation policy.

In accordance with regulatory requirements, permanent control functions play a role in the process of reviewing variable compensation, specifically for 'identified employees'. This applies primarily to the Risk Management Department and Compliance Department.

An *ad hoc,* Committee that includes the executives from the Investment business line, the Human Resources Department and the control functions reviews compliance with risk limits and implemented compliance procedures for the management functions.

These items are referred to Senior Management so that the implementation of the compensation policy takes these items into account.

Amundi's Compensation Committee provides an opinion on the compensation policy to enable the Board of Directors to make informed decisions. It monitors the implementation of this compensation policy for the "identified employees" referred to here below.

Each year, Amundi's Risk Management Committee ensures the compatibility of the compensation policy with the Company's economic and prudential situation.

In addition, the implementation of policies applicable under CRD IV regulation is in line with the governance of compensation implemented by Crédit Agricole S.A..

## 2.5.3 "Identified employees" compensation (AIFM/UCITS V and CRD IV)

Since asset management represented the majority of the Group's business in 2018, Amundi's policy is aligned with the regulatory framework specific to this business sector. Accordingly, for management companies, the compensation policy applicable to all of Amundi's "identified employees" is determined in accordance with the AIFM/UCITS V directives applicable to them. For some Amundi Group entities with the status of credit institutions, a limited number of employees are governed by the CRD IV regulation as described in section 2.5.3.2. In accordance with the compensation policy of Crédit Agricole S.A. Group, Amundi's banking scope is subject to the same compensation policies as its asset management scope (application of the most efficient regulations for the purposes of sound risk management and alignment of interests), which involve in particular:

- more stringent rules and thresholds for deferred compensation than those proposed by CRD IV;
- the indexation of deferred variable compensation according to the principles defined in section 2.5.3.2;
- linking the payment of the deferred bonus to the absence of risky professional behaviour.

The compensation of CRD IV "identified employees" whose professional activities have a significant impact on the risk profile of the relevant entities for the year 2018 is the subject of an "annual report on compensation policy and practices applicable to CRD IV identified employees" prepared in accordance with the applicable regulations presented in section 2.5.3.3.

The policy applicable to the Chief Executive Officer of Amundi is described in section 2.5.4.2.1

### 2.5.3.1 SCOPE OF "IDENTIFIED EMPLOYEES" (AIFM/UCITS V AND CRD IV)

#### 2.5.3.1.1 AIFM/UCITS V "identified employees"

The compensation policy that applies to identified employees is aligned with Amundi's general principles and stems from a highly controlled regulatory environment that imposes rules on the structure of their compensation.

"Identified employees" include all categories of employees who have an impact on the Group's or their entity's risk profile by virtue of their function, level of authorisation or their compensation, as well as employees in the control functions in the Group or its entities.

"Identified employees" are designated by a joint decision-making process between the Amundi Group functions (Human Resources and the Control functions) and its entities. This process is supervised by the Compensation Committee.

Under EU Directives AIFM 2011/61 of 8 June 2011 and UCITS V 2014/91 of 23 July 2014, "identified employees" of asset management firms, alternative investment funds and UCITS are defined as those who simultaneously:

- belong to a category of employees that has an impact on the risk profile of the Group's management companies managing AIF or UCITS, by virtue of the positions held;
- receive a high variable compensation.

#### 2.5.3.1.2 CRD IV "identified employees"

Amundi's "identified employees" pursuant to CRD IV are identified based on the consolidated group scope (Crédit Agricole S.A.) and the sub-consolidated scope (Amundi) under the joint responsibility of the Human Resources, Risk and Compliance functions.

The following are therefore defined as "identified employees" within the Amundi Group in accordance with the qualitative and quantitative identification criteria established by CRD IV:

- the Chief Executive Officer and the Head of the Business Support and Control functions of Amundi;
- the Chief Executive Officer and the Deputy CEO of Amundi Intermédiation; and
- the Chief Executive Officer and the Deputy CEO of Amundi Finance.

### 2.5.3.2 COMPENSATION POLICY FOR "IDENTIFIED EMPLOYEES" (AIFM/UCITS V AND CRD IV)

Amundi's compensation policy aims at ensuring an adjustment of compensation to performance in the medium- to long-term and to effectively prevent conflicts of interest.

Variable compensation awarded to "identified employees" is deferred by a minimum of 50% of the amount awarded as of the first euro, by tranches over a minimum of three years, as soon as it attains a materiality threshold agreed upon with the regulator.

"Identified employees" are also subject to bonus vesting and indexation conditions.

Each deferred compensation tranche only becomes vested based on performance conditions, the absence of risky professional behaviour and continued employment on the vesting date. The non-achievement of these conditions may lead to a decrease, or even a definitive loss of the amount to be vested.

The deferred portion of the bonus is indexed on a basket of funds that are representative of the activity of the Group or of its entities. The concerned employees are not authorised to use personal hedging strategies intended to counteract the effects of this indexation on the risk that is part of the management of deferred variable compensation.

In addition, when these individuals receive performance shares, specific conditions for the vesting of the rights underlying performance share plans are set:

- the shares allocated by the Board of Directors during its meetings of 11 February 2016 and 9 February 2017 are subject to vesting conditions that are similar to those for deferred bonuses (*i.e.* continued employment condition over three years, performance conditions, absence of risky professional behaviour) in compliance with the authorisation granted to the Board of Directors by Amundi's AGM (30 September 2015);
- the shares allocated by the Board of Directors during its meeting are subject to similar conditions (*i.e.* performance conditions, absence of risky professional behaviour and presence on the vesting date), except for the continued employment condition which is four years, with the performance conditions being tied to the achievement of the objectives of the Medium-Term Plan and in compliance with the authorisation given to the Board of Directors by Amundi's AGM of May 18th, 2017;
- the additional shares allocated by the Board of Directors during its meeting of 1 August 2018 are subject to similar conditions as those of the 13 December 2017 plan (*i.e.* performance conditions, absence of risky professional behaviour and presence on the vesting date), except for the continued employment condition which is three years, with the performance conditions being tied to the achievement of the objectives of the Amundi Group Medium-Term Plan, and in compliance with the authorisation granted to the Board of Directors by Amundi's AGM of May 18th, 2017.

Payment of guaranteed variable compensation is strictly limited to hiring situations and has a duration of no more than one year. Guaranteed variable compensation is paid according to the applicable deferred compensation plan.

The deferred payment rules specifically applicable to the Amundi Chief Executive Officer are detailed in Chapter 2.5.4.2.2.

### 2.5.3.3 ANNUAL REPORT ON COMPENSATION POLICY AND PRACTICES APPLICABLE TO CRD IV IDENTIFIED EMPLOYEES

This report concerns policy and compensation practices applicable to the individuals identified in Article L. 511-71 of the French Monetary and Financial Code and, where applicable, in application of European Commission Delegated Regulation (EU) No. 604/2014 of 4 March 2014 This report was prepared for the 2018 financial year in accordance with Article 450 of Regulation (EU) No. 575/2013 of 26 June 2013.

As their principal business is asset management, the asset management companies that make up most of the Amundi Group are subject to Directive 2011/61/EU ("AIFM") and Directive 2014/91/EU of 23 July 2014 on UCITS ("UCITS V"), in accordance with the European Securities and Markets Authorities guidance ESMA/2016/411.

Exclusively on its banking scope, Amundi is also subject to Directive 2013/36/EU, as implemented in France particularly through the Decree of 3 November 2014 on the internal control of companies in the banking, payment services and investment services sector subject to the oversight of the French Prudential Supervision and Resolution Authority (ACPR) (CRD IV).

In compliance with the compensation policy of the Crédit Agricole S.A. Group, Amundi's banking scope is subject to the same compensation policies as its asset management scope as described in section 2.5.3.1.1.

The quantitative information contained in this report only applies to the "identified employees" described in Article L. 511-71 of the French Monetary and Financial Code within Amundi's banking scope, *i.e.*, six individuals including Amundi's Chief Executive Officer.

Only the compensation of Amundi's Chief Executive Officer is subject to the Crédit Agricole S.A. Group compensation policy in accordance with the rules detailed in section 2.5.3.1.2 of the Registration Document.

### 2.5.3.3.1 Amundi Group governance regarding compensation policy

*Compensation governance*

The applicable governance for compensation is described in section 2.5.2 of the Registration Document.

In addition, in compliance with regulatory requirements, the Group's Human Resources Department works with the control functions (Risk Management and Compliance) in the formulation of the compensation policies, and the review of the Group's variable compensation, as well as the definition of the identified employees.

*Compensation Committee composition and role*

The composition and role of the Compensation Committee with regard to compensation policy are presented in section 2.4.3.4.4 of the Registration Document.

### 2.5.3.3.2 Compensation policy for "identified employees"

*Compensation policy general principles*

The general principles of the compensation policy are described in section 2.5.3.2 of the Registration Document.

The policy applicable to CRD IV "identified employees" is identical to the one applied to AIFM/UCITS V "identified employees", whose main features are detailed below.

Amundi's compensation policy is in line with the economic strategy and the long-term objectives, values and interests of the Company and funds under management and with those of investors, in sound and controlled risk management.

The components of employee compensation are described in section 2.5.1. Individual variable compensation is awarded on a discretionary basis and is based on management's evaluation of performance:

- based on objective, quantitative and qualitative criteria;
- involving, depending on the position held, a short- or long-term timescale;
- and taking into account compliance with risk limits and client interest.

The criteria used in evaluating performance and awarding variable compensation depend on the type of functions performed:

| Business line | | Quantitative criteria | Qualitative criteria |
|---|---|---|---|
| **Investment Management** | **Risk-adjusted performance** | IR/Sharpe over 1, 3, 5 years<br>Gross/absolute/relative performance of the investment strategies (based on GIPS composites) over 1, 3, 5 years, outlook mainly focused on 1 year, adjusted with long-term figures (3,5 years)<br>Performance risk adjusted based on IR/Sharpe over 1, 3, 5 years<br>Competitive positioning through Morningstar rankings<br>Net inflows / Successful requests for proposals, mandates<br>Performance fees generation | Compliance with risk, compliance and legal rules<br>Quality of management<br>Innovation/product development<br>Collaboration/Sharing of best practices<br>Commercial engagement |
| **Sales** | **Business development and sustainability through proper behaviour and consideration of client's interests** | Net inflows<br>Revenues<br>Gross Inflows; Client base development and retention; product mix | Joint consideration of Amundi's interests and of client's interests<br>Securing/developing the business<br>Client satisfaction<br>Quality of management<br>Cross-functional approach and sharing of best practices<br>Entrepreneurial spirit |
| **Control** | **Project management and achievement of own targets,** *regardless of the results of the business controlled* | *Depending on the projects managed and objectives set*<br>Management/optimization of expenses | *Depending on the projects managed and objectives set*<br>Quality of controls<br>Compliance with regulations and consideration of client's interests<br>Quality of management<br>Collaboration/Sharing of best practices |
| **Support** | **Project management and achievement of own targets** | *Depending on the projects managed and objectives set*<br>Management/optimization of expenses | *Depending on the projects managed and objectives set*<br>Quality of client servicing and support to all staff<br>Improvement of company's efficiency, contribution to its development<br>Quality of management<br>Collaboration/Sharing of best practices |

From a broader perspective, the aforementioned performance criteria, and particularly those applied to "Identified Employees" in investment management, comply with the regulations applicable to managed funds as well as the investment policy of the manager's investment committee.

The allocation of variable compensation is subject to deferred payment procedures specified below.

Finally, Amundi's compensation policy is consistent with sound and controlled risk management. Accordingly, Amundi's variable compensation system preserves its sound financial condition:

- by establishing the overall variable compensation amount according to the Group's financial performance;
- by making the payment of deferred variable compensation dependent on the achievement of its financial performance objectives.

The Amundi variable compensation system is consistent with sound and controlled risk management:

- by specifying, as criteria used in the awarding of individual bonuses, that risk and compliance regulations must be respected as well as these quantitative criteria associating risk to performance for investment managers (Information ratio/Sharpe ratio at one, three and five years);
- by including the opinion of an *ad hoc* Committee in the allocation and the vesting of deferred variable compensation, which makes it possible to adjust variable compensation according to the risk recorded *ex post*.

The compensation policy applicable to Amundi's Chief Executive Officer is described in section 2.5.4.2.1 of the Registration Document.

### *Scope of identified employees*

The scope of Amundi CRD IV "identified employees" is described in section 2.5.3.1.2.

### *Rules for deferred payments applicable to "identified employees"*

RULES FOR DEFERRED PAYMENTS APPLICABLE TO BONUSES

Bonuses awarded to "identified employees" are deferred by a minimum of 50% of the amount awarded as of the first euro, by tranche over three years, as soon as they attain a materiality threshold agreed upon with the regulator.

Each deferred compensation tranche only becomes vested based on performance conditions, the absence of risky professional behaviour and continued employment on the vesting date. The non-achievement of these conditions may lead to a decrease, or even a definitive loss of the amount to be vested.

The deferred portion of the bonus is indexed on a basket of funds that are representative of the activity of the Group or of its entities. The concerned employees are not authorised to use personal hedging strategies intended to counteract the effects of this indexation on the risk that is part of the management of deferred variable compensation.

The deferred payment rules specifically applicable to the Amundi Chief Executive Officer are detailed in section 2.5.4.2.2 of the Registration Document.

VESTING CONDITIONS OF THE RIGHTS UNDERLYING PERFORMANCE SHARES

The vesting conditions of the various Amundi performance share plans are described in section 2.5.3.2.

### *Limitation of guaranteed bonuses*

Payment of guaranteed variable compensation is strictly limited to hiring situations and has a duration of no more than one year. Guaranteed variable compensation is awarded subject to the applicable deferred compensation plan.

## 2.5.3.3.3 Consolidated quantitative information on the compensation of identified employees

### *Compensation awarded for the 2018 financial year*

**Compensation amounts awarded in respect of financial year 2018, broken down between the fixed and variable portion – in million euros and number of beneficiaries**

| | Management | Investment banking | Retail banking | Asset management | Support functions | Other | Total |
|---|---|---|---|---|---|---|---|
| Number of persons concerned | | | | 6 | | | **6** |
| Total compensation | | | | 4.8 | | | **4.8** |
| Amount of fixed portion | | | | 1.9 | | | **1.9** |
| Amount of variable portion (including LTI) | | | | 2.9 | | | **2.9** |

The variable portion includes the total award of LTI in respect of the 2018 performance year. The variable portion for 2018 represents €2.6 million and €0.3 million in LTI for 2018 performance year.

**Amounts and types of variable compensation paid, broken down between vested or non-deferred amounts and conditional deferred amounts for employees whose compensation is deferred** *(in million euros and number of beneficiaries)*

| | Management | Investment banking | Retail banking | Asset management | Support functions | Other | Total |
|---|---|---|---|---|---|---|---|
| Number of persons concerned | | | | 6 | | | 6 |
| Amount vested | | | | 0.9 | | | 0.9 |
| Deferred payment amount, in indexed cash | | | | 0.2 | | | 0.2 |
| Conditional deferred amount (including performance shares) | | | | 1.3 | | | 1.3 |

**Amounts and type of variable compensation paid, broken down between payments in cash, in shares or in other instruments to employees whose compensation is deferred** *(in million euros and number of beneficiaries)*

| | Management | Investment banking | Retail banking | Asset management | Support functions | Other | Total |
|---|---|---|---|---|---|---|---|
| Number of persons concerned | | | | 6 | | | 6 |
| Payments in cash | | | | 0.9 | | | 0.9 |
| Payments in shares or other instruments | | | | 1.4 | | | 1.4 |

**Outstanding variable compensation** *(in million euros)*

| | Management | Investment banking | Retail banking | Asset management | Support functions | Other | Total |
|---|---|---|---|---|---|---|---|
| Outstanding amounts of non-vested deferred compensation for 2018 | | | | 2 | | | 2 |
| Outstanding amounts of non-vested deferred compensation for prior years | | | | 1.9 | | | 1.9 |

The amount of outstanding non-vested deferred compensation for 2018 includes the LTI allocation for 2018.

**Deferred variable compensation paid or reduced due to results for the 2018 financial year** *(in million euros)*

| | For 2014 | For 2015 | For 2016 |
|---|---|---|---|
| Amount of deferred compensation paid | 0.4 | 0.5 | 0.4 |
| Amount of reductions made to deferred compensation | 0 | 0 | 0 |

**Amounts paid for hires and terminations during the 2018 financial year**

| | Amounts paid | Number of beneficiaries |
|---|---|---|
| Amount of severance payments paid and number of beneficiaries | 0 | 0 |
| Amounts paid for new hires and number of beneficiaries | 0 | 0 |

**Guarantees for severance pay**

| | Amounts paid |
|---|---|
| Amount for guarantees for severance pay | 0 |
| Number of beneficiaries | 0 |
| Highest guarantee | 0 |

**Consolidated information on identified employees receiving total compensation exceeding €1 million**

| | France | Europe (excluding France) | Rest of World |
|---|---|---|---|
| From €1 million to €1.5 million | | | |
| From €1.5 million to €2.0 million | | | |
| From €2.0 million to €2.5 million | | | |
| In excess of €2.5 million | 1 | | |

Amounts calculated take into account the amount in respect of LTI for 2018, *i.e.* one quarter of the total award of 2017.

## 2.5.4 Compensation of Senior Executives and Company Officers for 2018

### 2.5.4.1 COMPENSATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

#### 2.5.4.1.1 General principles of the compensation policy applicable to the Chairman of the Board of Directors

The compensation policy applicable to the Chairman of the Amundi Board of Directors foresees compensation exclusively in the form of directors' fees. The Company does not pay him any other form of compensation or benefits. In order to ensure that the Chairman of the Board of Directors is independent when carrying out his duties, he is not eligible to any variable compensation.

#### 2.5.4.1.2 Items of compensation due or awarded to the Chairman of the Amundi Board of Directors in respect of 2018 and submitted to the AGM for approval

In accordance with Article L. 255-100, II of the French Commercial Code, the AGM must vote on the fixed, variable and exceptional components constituting the total compensation and benefits in kind paid or awarded in respect of 2018 to the Chairman of the Amundi Board of Directors.

Xavier Musca having waived the payment of directors' fees for 2018, there will be no *ex post* vote by the AGM in 2019 as per Article L. 225-100 of the French Commercial Code.

Information on compensation paid by Crédit Agricole S.A. to Xavier Musca as Deputy CEO of Crédit Agricole S.A. will be published in Crédit Agricole S.A.'s 2018 Registration Document for the year ended 31 December 2018, given that Crédit Agricole S.A. shares are listed on the Euronext Paris regulated market.

### 2.5.4.2 COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

#### 2.5.4.2.1 General principles of the compensation policy applicable to the Chief Executive Officer

Compensation policy for the Amundi CEO is set by the Board of Directors on recommendation of the Compensation Committee and proposal by Crédit Agricole S.A.

Policy implementation is the subject of detailed proposals reviewed by the Compensation Committee and subsequently validated by the Board of Directors. The validation process considers both compensation for the past year and the parameters and criteria applying to next year's compensation. It relies on analyses performed to compare the Chief Executive Officer's compensation to that of executives of comparable companies in the business sector.

This policy and the details of its implementation have, as from the 2017 financial year, been submitted to the vote at the AGM of the Company pursuant to Article L. 225-37-2 of the French Commercial Code and AFEP-MEDEF Code recommendations.

The compensation applicable to Amundi's Chief Executive Officer is compliant with:

- the AFEP-MEDEF Code of Corporate Governance for Listed Companies ("AFEP-MEDEF Code"), as revised in June 2018, and all the guidelines contained therein;
- the regulatory framework set by the French Monetary and Financial Code and the Decree of 3 November 2014 on internal control of credit institutions and investment firms relating to the compensation of identified employees, which includes Amundi's Chief Executive Officer;
- the provisions of Law no. 2015-990 of 6 August 2015 on growth, business and equal economic opportunities, amending in particular Article L. 225-42-1 of the French Commercial Code regarding the acquisition of conditional annual rights to a supplemental defined-benefit pension;
- the provisions of Law no. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of the economy ("Sapin II" law).

*Employment contract*

Yves Perrier, CEO of the Company, has a contract of employment with Crédit Agricole S.A. and receives no direct compensation from the Company for his work as CEO. This contract is maintained insofar as Yves Perrier holds other positions within the Crédit Agricole S.A. Group. He is a member of the Executive Committee and Deputy Chief Executive Officer in charge of the Savings, Insurance and Real Estate Division of the Crédit Agricole S.A. Group[(1)].

Since 80% of the compensation and benefits that Crédit Agricole S.A. pays to Yves Perrier under his employment contract is charged back to Amundi on an annual basis, with the remaining 20% charged to Crédit Agricole S.A., this section describes Yves Perrier's compensation under his employment contract. The information presented below therefore represents 100% of Yves Perrier's compensation.

#### 2.5.4.2.2 Items of compensation due or awarded to the Chief Executive Officer of the Company in respect of 2018 and submitted to the AGM for approval

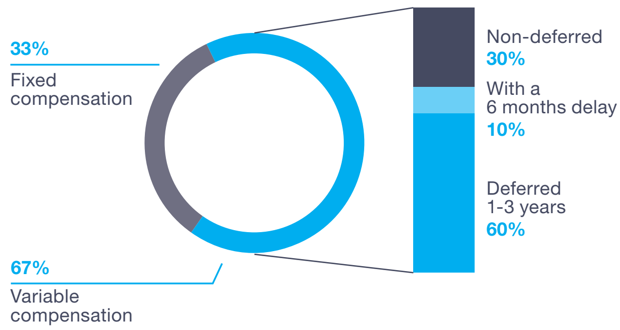
In accordance with Article L. 225-100, II of the French Commercial Code, the AGM must vote on the fixed, variable and exceptional components constituting the total compensation and benefits in kind paid or awarded in respect of 2018 to each Senior Executive and Company Officer of Amundi.

For the reasons noted in section 2.5.4.1.2, the compensation of the Chairman of the Board of Directors will not be subject to an ex-post vote by the 2020 AGM pursuant to Article L. 225-100 of the French Commercial Code.

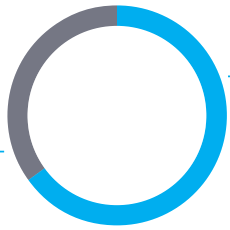
Consequently, the AGM is only asked to approve the following items of the compensation due or awarded to Yves Perrier, Chief Executive Officer, for the year ended 31 December 2018.

**Table – Items of compensation due or awarded in respect of the year ended 31 December 2018 to Yves Perrier, Chief Executive Officer, subject to the approval of shareholders**

| Items of compensation due or awarded in respect of the year ended | Amount or accounting valuation to be voted by shareholders | Overview |
|---|---|---|
| Fixed compensation[(2)] | €1,000,000 | Yves Perrier's fixed compensation was raised from €860,000 to €1,000,000 in 2018. This increase was granted to Yves Perrier in consideration of the significant gap in his compensation compared to that of the heads of other asset management companies in Europe. It also took into account the specific compensation structure in light of the CRD IV Regulation which limits the weight of variable compensation, and therefore does not permit the Chief Executive Officer to benefit from the performance share plan (LTI) provided to senior executives.<br>In addition, Yves Perrier receives no specific compensation paid by the Company in respect of his position as Chief Executive Officer. |
| Variable compensation[(2)] | €2,000,000 | **TERMS AND CONDITIONS FOR DETERMINING THE VARIABLE COMPENSATION**<br>Variable compensation is expressed as a percentage of annual fixed compensation. In accordance with the AFEP-MEDEF Code, variable compensation is capped and may not exceed the maximum levels defined by the compensation policy. Furthermore, pursuant to Article L. 511-78 of the French Monetary and Financial Code, as modified in connection with the transposition of the CRD IV Directive, this variable compensation may not exceed 200% of annual fixed compensation, even if the objectives are exceeded. |



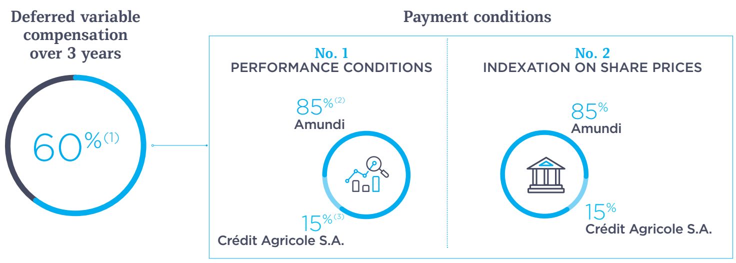

(1) *Recommendation 21-3 of the AFEP-MEDEF Code regarding the termination of the employment contract of a Company Officer does not apply to "employees of a group of companies who act as Senior Executives and Company Officers in a listed or unlisted subsidiary of the Group." Yves Perrier's contractual position therefore complies with the Code.*
(2) *Compensation corresponds to 100% of compensation granted and paid by Crédit Agricole S.A., 80% of which is charged back to the Company (see section 2.5.4.2.1).*

| Items of compensation due or awarded in respect of the year ended | Amount or accounting valuation to be voted by shareholders | Overview |
|---|---|---|
| | | The CEO's performance is measured by reference to the results achieved in each of the objectives set:<br>■ 65% for the criteria pertaining to the Amundi scope:<br>■ economic criteria (35% of the total, 8.75% for each criterion): Net banking income[1] ("NBI"), Cost-income ratio, Amundi's Net income Group share and Total net inflows,<br>■ other criteria (30% of total): Managerial criteria related to the integration of Pioneer for 20% of the total and development of SRI and solidarity finance for 10% of the total;<br>■ 35% for criteria pertaining to the Crédit Agricole S.A. scope:<br>■ economic criteria related to the Crédit Agricole S.A. scope (15% of the total, 3.75% for each criterion): NBI, Net income Group share, Cost-income ratio and ROTE[2],<br>■ other criteria for other entities of the Crédit Agricole S.A. scope (20% of the total): Results and business indicators for the Insurance and Real Estate divisions.<br><br><br>**2018 OBJECTIVES LEVEL OF ACHIEVEMENT**<br>During the meeting of 12 February 2019, the Board of Directors, on the recommendation of the Compensation Committee, noted that all economic objectives for 2018 had been significantly exceeded and, on this basis, set the Chief Executive Officer's variable compensation.<br>The overall rate of achievement was 112.1%; 106.2% on the economic criteria and 118% on the other criteria.<br>The rate of achievement of the economic targets is broken down as follows:<br>■ 105.4% for the Amundi criteria;<br>■ 108.2% for the Crédit Agricole S.A. criteria.<br>Based on the overall achievement rate of the objectives, the theoretical variable compensation would have reached a total of €2,242,000. However, in application of CRD IV regulation, the Board capped variable compensation to twice the amount of fixed compensation, i.e. the amount of €2,000,000.<br>It should also be noted that the Chief Executive Officer does not benefit from the performance share plan established for executive managers of Amundi.<br>Payment of such items of variable compensation is conditional upon the AGM approval called to approve the financial statements for the year ended 31 December 2018. |
| Of which non-deferred variable compensation[3] | €600,000 | The non-deferred portion of total variable compensation, representing 30% of the total variable compensation, will be paid, assuming the 2019 AGM approves the variable compensation payment, at the end of the AGM. |
| Of which variable compensation paid with a delay of six months[3] | 200,000 €<br>(amount granted) | The portion of overall variable compensation with a six-month delay in payment will be paid, assuming the 2019 AGM approves the payment of the items of variable compensation, corresponding to 10% of the total in September 2019 (variable compensation paid with a delay of six months).<br>85% of the final portion is indexed to the Amundi share price evolution and 15% to the Crédit Agricole S.A. share price evolution. |

*(1) The "NBI" or net banking income is the same as the "net revenues".*
*(2) Return on Tangible Equity.*
*(3) Compensation corresponds to 100% of compensation granted and paid by Crédit Agricole S.A., 80% of which is charged back to the Company (see section 2.5.4.2.1).*

| Items of compensation due or awarded in respect of the year ended | Amount or accounting valuation to be voted by shareholders | Overview |
| --- | --- | --- |
| Of which deferred variable compensation, indexed and conditional(1) | 1,200,000 €<br>(amount awarded) | **TERMS AND CONDITIONS FOR DEFERRAL AND INDEXATION OF THE ANNUAL VARIABLE COMPENSATION**<br>Pursuant to the compensation policy, a portion of annual variable compensation is deferred.<br>Yves Perrier will retain his right to receive unvested tranches of his deferred compensation if he leaves the Company except in the event of resignation or dismissal for gross or serious misconduct. Benefits will however be paid if departure is due to retirement, disability, death or exceptional circumstances attested by the Board of Directors. In these cases, unvested tranches of deferred variable compensation will be paid on their normal expiry date pro rata their degree of accomplishment.<br>**Deferred portion of annual variable compensation, accounting for 60% of the total**<br>60% of variable annual compensation is deferred in thirds over three years and is conditional upon continued presence at the Company and the achievement of Amundi's performance objectives. |

PRINCIPLES OF COMPENSATION FOR DEFERRED VARIABLE PORTION




*(1) Variable portion with payment deferred over a period of 3 years.*
*(2) Aggregates specific to the Amundi Group (NIGS).*
*(3) Aggregates specific to the Crédit Agricole S.A. Group (progression of operating income, relative performance of the Crédit Agricole S.A. share in relation to a composite index of European banks, and societal performance measured by the FReD index).*

Payment of the deferred compensation in respect of 2018 will depend 85% on Amundi Group indicators (net income Group share) and 15% on various Crédit Agricole S.A. Group ratios (growth in results of operations, relative performance of the Crédit Agricole S.A. share against a composite index of European banking stocks, and societal performance as measured by FReD index).
This portion of variable compensation will also be 85% indexed to the Amundi share price evolution and 15% to the Crédit Agricole S.A. share price evolution.

**EVOLUTION AND COMPETITIVE POSITIONING OF THE CEO'S COMPENSATION**
In total, overall compensation awarded to the Chief Executive Officer for 2018 represents €3,005,295, i.e. an increase of 16% compared to 2017 compensation. This evolution should be compared to the 25.5% increase in net accounting income.
Between 2015 and 2018, the CEO's total compensation has increased by 42%, that needs to be compared with the 65% of net income growth.
Each year, a specific benchmark analysis is conducted, in order to position the CEO's compensation against his peers. This year results show that the CEO's total awarded compensation is in the lowest range of the market.

**INTERNAL FAIRNESS RATIO**
The ratio between the CEO's total awarded compensation for 2018 and the average total compensation of Amundi's employees is 21.9. On a scope limited to France exclusively, this ratio is 23.3.
This is one of the lowest ratio among the SBF 120 listed companies.

*(1) Compensation corresponds to 100% of compensation granted and paid by Crédit Agricole S.A., 80% of which is charged back to the Company (see section 2.5.4.2.1).*

| Items of compensation due or awarded in respect of the year ended | Amount or accounting valuation to be voted by shareholders | Overview |
|---|---|---|
| Exceptional compensation | €0 | No exceptional compensation. |
| Stock options, performance shares or any other long-term compensation | Options: None | Yves Perrier was not granted with any stock options in 2018. |
| | Equities: None | Yves Perrier was not granted with any performance shares in 2018. |
| Severance payment: Termination payment | No compensation paid in respect of 2018 | None: Yves Perrier is not entitled to any termination compensation in the event of termination of his office within Amundi.<br>If Yves Perrier were to receive severance pay, it would be on the basis of the termination of his employment contract with Crédit Agricole S.A. and the end of his functions within Crédit Agricole S.A. This compensation would stay at the sole charge of Crédit Agricole S.A. and would not be charged back to Amundi.<br>In the event that his employment contract was terminated, Yves Perrier would receive contractual compensation of twice the amount of his fixed and variable compensation over the 12 months preceding termination of his employment contract, calculated in accordance with the terms of the Crédit Agricole S.A. collective bargaining agreement. This compensation would be at the sole charge of Crédit Agricole S.A. and would not be charged back to Amundi. |
| Non-compete compensation | None | There is no non-compete clause. |
| Supplementary Pension Plan | No payment in respect of 2018.<br>Vesting of conditional rights of 1.2% of the reference compensation for 2018 | For his position with Crédit Agricole S.A., Yves Perrier is covered by a supplementary pension scheme for executive managers of the Crédit Agricole Group, which tops up the collective and mandatory pension and death and disability schemes. These plans are entirely managed by Crédit Agricole S.A. and are not charged back to Amundi.<br>Regarding the defined-benefit retirement plan, and in accordance with Article L. 225-42-1 of the French Commercial Code, the annual vesting of contingent rights is subject to the Amundi Group achieving, during the relevant financial year, a minimum of 50% of the Group's budgetary objective for consolidated net income, Group share.<br>Amundi's Board of Directors noted that this performance condition had been met during its meeting of 12 February 2019.<br>As a consequence, Yves Perrier benefits, for 2018, from an increase in conditional supplementary defined-benefit pension rights, of 1.20% of his final reference compensation, which is capped in accordance with the supplementary pension regulation for executive managers of the Crédit Agricole S.A. Group. |
| Directors' fees | €0 | Yves Perrier waived his right to receive directors' fees as from 15 September 2015. No directors' fees were therefore awarded to him in 2018. |
| Valuation of benefits in kind | €5,295 | Yves Perrier has a Company car provided by Amundi. |

### 2.5.4.2.3 Post-employment benefits

Yves Perrier has an employment contract with Crédit Agricole S.A. for the reasons detailed in section 2.5.4.2.1. Post-employment benefits under this contract are set out in the table below.

**Table 11 AMF Classification – Employment contracts, retirement benefits and benefits linked to terminating office for Senior Executive Company Officers**

| Senior Executive and Company Officers | Employment contract | | Supplementary Pension Plan | | Severance or other benefits due or likely to become due as a result of termination or change of office | | Compensation under a non-compete clause | |
|---|---|---|---|---|---|---|---|---|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| **Yves Perrier**<br>Chief Executive Officer<br>Start of current term of office: 15 September 2015<br>End of term of office: none | X | | X | | X | | | X |

#### (i) Supplementary Pension Plan

By virtue of his position in Crédit Agricole S.A., described above, Yves Perrier is covered by supplementary pension plans for Senior Management of Crédit Agricole S.A., which supplements the basic and mandatory additional retirement and pension plans.

These schemes combine a defined-contributions plan (Article 83 of the French General Tax Code) and a top-up type defined-benefits plan (Article 39 of the French General Tax Code). Top-up scheme rights are determined after deduction of the annuity constituted within the defined-contributions plan.

Upon termination, Yves Perrier's total retirement income is capped, taking into account all company and mandatory basic and supplementary retirement plans, at 16 times the annual Social Security ceiling as of that date, and at 70% of reference compensation[(1)].

Total gross annual entitlements under the defined-benefits plan were estimated at €279,000 at 31 December 2018, corresponding to 20% of the reference compensation defined below or 9% of the compensation due in respect of 2018 (fixed and variable). Both ratios are below the 45% ceiling recommended in the AFEP-MEDEF Code (fixed and variable compensation due in respect of the reference period). These plans are entirely managed by Crédit Agricole S.A. and are not charged back to Amundi.

*Defined-contribution retirement plan*

A period of one year of service conditions the right to pay contribution. The beneficiary is allowed to receive payment from this scheme as soon as he can demonstrate that he is entitled to become pensioner from a mandatory pension scheme.

Yves Perrier is a beneficiary of vested pension rights under this scheme, which amount is based on the accrued savings converted into a lifetime payment starting the day of entitlement. Contributions to this scheme, calculated on the basis of the gross salary, capped at eight times the annual social security ceiling, using a rate of 5%, paid by Crédit Agricole S.A., and 3% by Yves Perrier. It also includes contributions to the supplementary pension scheme of agricultural organisations resulting from the agreement of 31 January 1996 (the so-called "1.24% plan").

The estimated annual amount of this annuity the closing date of 2018 exercise, calculated in accordance with the provisions of Article D. 225-104-1 of the French Commercial Code, is evaluated at €8,000 gross.

This estimated amount is the gross amount before taxes and social contribution in force at the closing date, particularly income tax payable by individuals.

Crédit Agricole S.A. contributions to the pension plan are exempt from social security contributions and charges, within the limits set in Article L. 242-1 of the French Social Security Code, and may be deducted from Crédit Agricole S.A.'s taxable income.

*Defined-benefit retirement plan*

The defined-benefit retirement plan consists of uncertain entitlements subject, in principle, to a condition of continued employment within the Company at retirement.

The retirement pension benefit under the defined-benefit retirement plan is reserved for participants who:

- have at least five years of service within the Group;
- have reached the age of retirement at rights entitlement date or who are 60 years old and can demonstrate that they are entitled to full pension rights according to the general social security regime;
- are eligible to the plan the day before they become entitled to pension rights;
- are already entitled to basic and supplementary individual retirement pensions with all mandatory pension plans in and outside France and from international organisations they might benefit, (excluding any rights under the Agirc category C plan).

Specific rules are foreseen by the agreement for beneficiaries who would be considered by the social security as permanently disable to work or for participant who might have been dismissed.

The pension rate is equal to 0.3% of the reference compensation for each[(1)] confirmed quarter up to a maximum of 120 quarters, corresponding to to an annual increment of 1.2% maximum per year. This increase is in line with Article L. 225-42-1 of the French Commercial Code, which caps annual growth of conditional entitlements at 3%.

*(1) The reference compensation is determined as the average of the three highest gross annual compensations paid over the last 10 years of activity within a Crédit Agricole Group entity, including fixed compensation and variable compensation, the latter being taken into account up to a maximum of 60% of the fixed compensation, in addition to the family employee and single employee supplements.*

In accordance with Article L. 225-42-1 of the French Commercial Code, annual vesting of rights is subject to the Amundi Group achieving, during the year considered, at least 50% of the Group's budgeted objective for consolidated net income Group share, it being specified that this condition is nevertheless deemed satisfied if the Amundi Group does not achieve this objective as a result of an adverse market environment that affects Amundi's competitors in a similar manner.

Amundi's Board of Directors noted during the meeting of 12 February 2019, that this performance condition related to rights in respect of the 2018 financial year was completed.

The entitlements built up within the Group prior to the effective date of the current regulations are maintained and, where appropriate, are included with the entitlements resulting from the implementation of the regulations in force, among other for the calculation of the cap for the annuity paid.

The estimated annual amount of this annuity at the 2018 reporting date, calculated in accordance with the provisions of Article D. 225-104-1 of the French Commercial Code, was valued at €279,000 gross, including €134,000 in rights deemed to originate from the crystallised capital at 31 December 2009 under the closed previous scheme, and €145,000 in additional rights for the new scheme effective from 1 January 2010.

This represents 20% of the reference compensation (as defined above) or 9% of the compensation due (fixed and variable) in respect of 2018, both ratios being below the ceiling of 45% (of fixed and variable compensation over the reference period) set by the AFEP-MEDEF Code.

This estimated amount is gross of taxes and social charges applicable at the closing date, notably personal income tax and social contributions of between 7% and 14% (depending on the size of the annuity) payable by the beneficiary.

Management of the defined-benefit retirement plan is outsourced to an organisation governed by the French Insurance Code. Funding of the outsourced assets is accomplished *via* annual premiums entirely funded by Crédit Agricole S.A. and subject to the 24% contribution required by Article L. 137-11 of the French Social Security Code, in return for exemption from social security contributions and charges provided for in the same article. These premiums do not generate any tax charges for Crédit Agricole S.A.

Uncertain entitlements in the supplementary defined-benefit plan are conditional the beneficiary still being employed by the Company on maturity and were estimated based on to his nine years of seniority at the closing date, which corresponds to 10.2% of the reference compensation at 31 December 2018, i.e. 1.2% increase compared to 2017 fiscal year.

This increase is in line with Article L. 225-42-1 of the French Commercial Code, which caps annual growth of conditional entitlements at 3%.

**(ii) Severance or other benefits due or likely to become due as a result of termination or change of position**

*Severance pay*

Yves Perrier is not entitled to any termination compensation under the employment contract, in the event of termination of his office with Amundi.

If Yves Perrier were to receive termination compensation, it would be as a result of the termination of his employment contract with Crédit Agricole S.A. and the end of his office with Crédit Agricole S.A., set out above. This compensation would be at the sole charge of Crédit Agricole S.A. and would not be subject to any cross-charging to Amundi.

In the event that his employment contract were to be terminated, Yves Perrier would receive a contractual compensation of an amount equal to twice the amount of his fixed and variable compensation over the 12 months preceding termination of his employment contract, a portion of which is calculated in accordance with the terms of the Crédit Agricole S.A. collective bargaining agreement.

*Compensation under a non-compete clause*

None.

#### 2.5.4.2.4 Other benefits

Yves Perrier has a Company car provided by the Company corresponding to the line “Benefits in kind” in table 2 hereafter.

### 2.5.4.3 STANDARDISED SUMMARY TABLES COMPLIANT WITH AMF AND AFEP-MEDEF RECOMMENDATIONS

**Compensation and benefits paid to Xavier Musca, Chairman of the Board of Directors**

Xavier Musca waived his right to claim directors' fees for 2018. The company did not pay him any form of compensation or benefits in respect of his office as Chairman of the Board of Directors, which he has held since 28 April 2016. Information on compensation and benefits paid by Crédit Agricole S.A. to Xavier Musca in respect of his position as CEO of Crédit Agricole S.A. is available in the Crédit Agricole S.A. Registration Document.

**Compensation and benefits paid to Yves Perrier, Chief Executive Officer(1)**

**Table 1 – Summary table of compensation, options and shares granted to each Senior Executive Company Officer**

| Yves Perrier, Chief Executive Officer | FY 2017 | FY 2018 |
|---|---|---|
| Compensation due for the year (detailed in table 2) | 2,585,295 | 3,005,295 |
| Valuation of stock options granted during the year | - | - |
| Valuation of performance shares granted during the year | - | - |
| **TOTAL** | **2,585,295** | **3,005,295** |

(1) *Compensation and benefits paid by Crédit Agricole S.A. to Yves Perrier under his employment contract are 80% charged back to Amundi each year. The information presented corresponds to 100% of Yves Perrier's compensation.*

### Table 2 – Table of compensation of each Senior Executive Company Officer

The following table provides a breakdown of the fixed, variable and other benefits due and paid to Yves Perrier during the 2017 and 2018 financial years.

| Yves Perrier<br>Chief Executive Officer | FY 2017 | | FY 2018 | |
|---|---|---|---|---|
| | Amounts due[2] | Amounts paid[3] | Amounts due[2] | Amounts paid[3] |
| Fixed compensation[1] | 860,000 | 860,000 | 1,000,000 | 1,000,000 |
| Variable compensation[1] | 1,720,000 | 1,871,500[5] | 2,000,000 | 1,739,876 |
| Non-deferred variable compensation | 516,000 | 480,000 | 600,000 | 516,000 |
| Variable compensation paid with a delay of six months | 172,000 | 193,440 | 200,000 | 157,896 |
| Deferred variable compensation, indexed and conditional | 1,032,000 | 1,198,060 | 1,200,000 | 1,065,980 |
| Exceptional compensation | 0 | 0 | 0 | 0 |
| Directors' fees[4] | 0 | 0 | 0 | 0 |
| Additional payment (PSR adjustment)[6] | 0 | 0 | 0 | 15,980 |
| Benefits in kind | 5,295 | 5,295 | 5,295 | 5,295 |
| **TOTAL** | **2,585,295** | **2,736,795** | **3,005,295** | **2,761,151** |

*Compensation and benefits paid by Crédit Agricole S.A. to Yves Perrier under his employment contract are 80% re-invoiced to Amundi each year, the remaining 20% being paid by Crédit Agricole S.A. The information presented corresponds to 100% of Yves Perrier's compensation.*

*(1) Gross compensation before tax.*

*(2) Compensation due in respect of positions held during the relevant year, regardless of payment date.*

*(3) Compensation paid in respect of positions held during the year.*

*(4) Yves Perrier waived his right to receive directors' fees for 2017 and 2018.*

*(5) Of the variable compensation paid in 2017, €673,440 corresponded to non-deferred compensation in respect of 2016 (part-indexed to the Crédit Agricole S.A. share) and €1,198,060 to variable compensation in respect of previous years (2013, 2014 and 2015). These latter payments were deferred and indexed on the Crédit Agricole S.A. share in accordance with applicable regulations (see Table 2 bis for details).*

*(6) The Board of Directors of 1 August 2018 approved the policy adjustment aimed at using the Amundi reference share price, adjusted by the detachment of preferential subscription rights (PSR), for payments under the 2016 and 2017 variable compensation plans made subsequently to the acquisition of Pioneer. The capital increase associated with the acquisition of Pioneer had a dilutive effect on the value of Amundi shares, which was offset for shareholders by the detachment of the preferential subscription rights. Nevertheless, this dilutive effect was not taken into account in the indexation rules used for the Chief Executive Officer's deferred variable compensation, despite this being a requirement under the applicable deferred plan rules. Variable compensation of a gross amount of €15,980 was therefore paid to the Chief Executive Officer, alongside with his September 2018 salary.*

### Table 2bis – Summary table of deferred variable compensation paid to each Senior Executive Company Officer

| Yves Perrier<br>Chief Executive Officer | FY 2016 | FY 2017 | FY 2018 |
|---|---|---|---|
| | In cash | In cash | In cash |
| Deferred variable compensation awarded in 2013 | 289,800 | | |
| Deferred variable compensation awarded in 2014 | 219,006 | 396,000 | |
| Deferred variable compensation awarded in 2015 | 179,200 | 327,600 | 260,400[1] |
| Deferred variable compensation awarded in 2016 | - | 474,460 | 444,780[2] |
| Deferred variable compensation awarded in 2017 | - | - | 360,800[3] |

*(1) Allocation in respect of 2014 of a €280,000 tranche of deferred variable compensation conditional upon and indexed on the Crédit Agricole S.A. share.*

*(2) Allocation in respect of 2015 of a €280,000 tranche of deferred variable compensation conditional upon and indexed on the Crédit Agricole S.A. and Amundi shares.*

*(3) Allocation in respect of 2016 of a €320,000 tranche of deferred variable compensation conditional upon and indexed on the Crédit Agricole S.A. and Amundi shares.*

## 2.5.5 Directors' Compensation

### 2.5.5.1 GENERAL PRINCIPLES OF THE POLICY

The terms and conditions for the distribution of the total amount of directors' fees are determined by the Board of Directors on the recommendation of and after examination by the Compensation Committee.

The total amount of directors' fees was set at €700,000 at the annual general shareholders' meeting of 30 September 2015 until further decision of the AGM.

It should be recalled that directors' fees are paid in N+1 in respect of year N. The directors' fees listed below are therefore those paid during 2018 in respect of 2017.

They were awarded by the Board of Directors of February 2018 on the basis of the opinion of the Compensation Committee, through the application of the following distribution rule:

- €3,000 per director per Board meeting attendance;
- a supplementary lump-sum of €20,000 is allocated to the Chairman of the Board;
- €2,000 per director per committee meeting attendance, up to an annual maximum of €15,000 per committee;
- an annual lump-sum of €12,000 is allocated to the Chairman of the Audit Committee (no supplementary fees for each committee meeting);
- an annual lump-sum of €12,000 is allocated to the Chairman of the Risk Management Committee (no supplementary fees for each committee meeting).

Non-voting Members will receive the same amount as the directors, deducted from the total amount of the directors' fees.

Subject to individual waivers by members of the Board, directors' fees were paid to company officers in May 2018.

### 2.5.5.2 DIRECTORS' FEES AND OTHER COMPENSATION RECEIVED BY THE MEMBERS OF THE BOARD OF DIRECTORS DURING 2017 AND 2018

The table below summarises the list of beneficiaries and the amount of directors' fees paid to them in 2017, in respect of 2016, and paid in 2018, in respect of 2017.

**Table 3 – Directors' fees and other compensation received**

| Members of the Board of Directors | Gross amounts paid during,2017 *(in euros)*(1) | Gross amounts paid during,2018 *(in euros)*(1) |
|---|---|---|
| **Jean-Paul Chifflet**(2) † | | |
| Directors' fees | 12,667 | - |
| Other compensation | None | - |
| **Xavier Musca**(3)(4) | | |
| Directors' fees | None | None |
| Other compensation | None | None |
| **Yves Perrier**(3) | | |
| Directors' fees | None | None |
| Other compensation | None | None |
| **Virginie Cayatte** | | |
| Directors' fees | 32,000 | 38,000 |
| Other compensation | None | None |
| **Laurence Danon-Arnaud** | | |
| Directors' fees | 28,000 | 20,000 |
| Other compensation | None | None |
| **Jean-Michel Forest** | | |
| Directors' fees | 37,000 | 36,000 |
| Other compensation | None | None |
| **Rémi Garuz** | | |
| Directors' fees | 21,000 | 18,000 |
| Other compensation | None | None |
| **Laurent Goutard** | | |
| Directors' fees | 15,000 | 9,000 |
| Other compensation | None | None |

| Members of the Board of Directors | Gross amounts paid during,2017 *(in euros)*[1] | Gross amounts paid during,2018 *(in euros)*[1] |
|---|---|---|
| **Robert Leblanc** | | |
| Directors' fees | 35,000 | 31,000 |
| Other compensation | None | None |
| **Michel Mathieu**[3][5] | | |
| Directors' fees | None | None |
| Other compensation | None | None |
| **Hélène Molinari** | | |
| Directors' fees | 25,000 | 20,000 |
| Other compensation | None | None |
| **Christian Rouchon** | | |
| Directors' fees | 45,000 | 42,000 |
| Other compensation | None | None |
| **Andrée Samat** | | |
| Directors' fees | 21,000 | 18,000 |
| Other compensation | None | None |
| **Renée Talamona**[3] | | |
| Directors' fees | None | None |
| Other compensation | None | None |
| **Eric Tazé-Bernard**[3] | | |
| Directors' fees | None | None |
| Other compensation | None | None |
| **François Veverka** | | |
| Directors' fees | 30,000 | 30,000 |
| Other compensation | None | None |
| **TOTAL** | **301,667** | **262,000** |

*(1) On a gross basis (before taxes and social charges).*

*(2) All the Board Directors resigned at the meeting on 15 September 2015, with effect from the date of the first listing of the Company's shares on Euronext Paris ("the stock market listing date").*
*The new members of the Board were elected by the AGM of 30 September 2015, post-IPO, with effect from the stock market listing date, 12 November 2015. Among the members elected at the AGM on September 2015, Mr Chifflet, Mr Garuz, Mr Goutard, Mr Perrier and Mr Rouchon were re-elected.*

*(3) Jean-Michel Forest was a director of Amundi from 28 April 2015. He resigned his position as a director at the same time as the other members of the Board of Directors during the Board meeting of 15 September 2015 effective on the date of the stock market listing, i.e. 12 November 2015. The Board of Directors appointed him as a non-voting Member effective on the date of the stock market listing, i.e. 12 November 2015.*

*(4) Xavier Musca waived his right to receive directors' fees as from 20 May 2015, Yves Perrier waived his right to receive directors' fees as from 15 September 2015, Michel Mathieu, Eric Tazé-Bernard and Renée Talamona waived their right to receive directors' fees as from their appointment.*

*(5) In accordance with Article L. 225-102-1 of the French Commercial Code, the amount of the compensation and benefits in kind paid by Crédit Agricole S.A. to Michel Mathieu is provided in the 2018 Registration Document of LCL.*

## 2.5.6 Principles and criteria for the determination, distribution and allocation of fixed, variable and exceptional amounts of total compensation and benefits of any kind that may be granted to each Senior Executive and Company Officer of the Company for the 2019 financial year

Pursuant to the Article L. 225-37-2 of the French Commercial Code, the AGM called to approve the financial statements for the year ended 31 December 2018 will be asked to approve the principles and criteria for the determination, distribution and allocation of all fixed, variable and exceptional amounts of total compensation and benefits in kind that may be granted in respect of 2019 to:

- Xavier Musca, Chairman of the Amundi Board of Directors. Subject to their approval at the AGM, these principles and criteria would apply to any successor to the current Chairman of the Board of Directors of Amundi, until shareholders decide otherwise at shareholders meeting;
- Yves Perrier, Chief Executive Officer of Amundi. Subject to their approval at the AGM, these principles and criteria would apply to any successor to the current CEO, until shareholders decide otherwise at a shareholders meeting.

### 2.5.6.1 PRINCIPLES AND CRITERIA FOR THE DETERMINATION, DISTRIBUTION AND ALLOCATION OF COMPENSATION THAT MAY BE GRANTED IN RESPECT OF 2019 TO THE CHAIRMAN OF THE BOARD OF DIRECTORS OF AMUNDI

The Chairman of the Board of Directors of Amundi receives no compensation other than directors' fees. Any decision to waive payment of such directors' fees is at his sole discretion. In order to ensure that the Chairman of the Board of Directors is independent when carrying out his duties, he is not eligible to any variable compensation.

Xavier Musca waived his directors' fees and will therefore receive no compensation as Chairman of Amundi's Board of Directors for the 2019 financial year.

The following resolution will be submitted to the AGM called to approve the financial statements for the year ended 31 December 2018:

***"(Approval of the principles and criteria for the determination, distribution and allocation of all fixed, variable and exceptional amounts of total compensation and benefits in kind that may be granted in respect of 2019 to the Chairman of the Board of Directors).***

*The AGM, voting under the quorum and majority conditions required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors and the report on corporate governance, in accordance with Article L. 225-37-2 of the French Commercial Code, approves the principles and criteria for the determination, distribution and allocation of all fixed, variable and exceptional amounts of total compensation and benefits in kind that may be granted in respect of 2019 to the Chairman of the Board of Directors, as presented in the report on corporate governance in Chapter 2 of the Registration Document."*

**Table summarising the compensation principles and criteria**

| Principles and criteria for the determination, distribution and allocation | Overview |
|---|---|
| Directors' fees | The Chairman of the Board of Directors is compensated by directors' fees according to the rules defined annually (comprised of a fixed portion and a variable portion depending on participation to the meetings of the Board and its committees. The Chairman has the option of waiving payment of these fees. |

### 2.5.6.2 PRINCIPLES AND CRITERIA FOR THE DETERMINATION, DISTRIBUTION AND ALLOCATION OF COMPENSATION THAT MAY BE GRANTED IN RESPECT OF 2019 TO THE CHIEF EXECUTIVE OFFICER OF AMUNDI

Pursuant to the Article L. 225-37-2 of the French Commercial Code, the AGM which approves the financial statements for the year ended 31 December 2018, will be also asked to approve the principles and criteria for the determination, distribution and allocation of all fixed, variable and exceptional amounts of total compensation and benefits in kind that may be granted in respect of 2019 to Yves Perrier, Amundi's CEO. Subject to their approval at the AGM, these principles and criteria would apply to any successor to the current CEO, until shareholders decide otherwise at a shareholders' meeting.

The Board of Directors of 12 February 2019 decided to leave the gross fixed annual compensation of Yves Perrier of €1,000,000 unchanged in respect of 2019. This decision was based on a favourable opinion from the Compensation Committee of 5 February 2019.

The following resolution will be submitted to the AGM called to approve the financial statements for the year ended 31 December 2018:

***"(Approval of the principles and criteria for the determination, distribution and allocation of all fixed, variable and exceptional amounts of total compensation and benefits in kind that may be granted in respect of 2019 to the Chief Executive Officer).***

*The AGM, voting under the quorum and majority conditions required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors and the report on corporate governance, in accordance with Article L. 225-37-2 of the French Commercial Code, approves the principles and criteria for the determination, distribution and allocation of all fixed, variable and exceptional amounts of total compensation and benefits in kind that may be granted in respect of 2019 to the Chief Executive Officer, as presented in the report on corporate governance in Chapter 2 of the Registration Document."*

### Table summarising the compensation principles and criteria

| Principles and criteria for determination, distribution and allocation | Overview |
|---|---|
| **Fixed compensation** | Fixed compensation is determined by the Company's Board of Directors on the recommendation of the Compensation Committee and the proposal of Crédit Agricole S.A., taking into consideration the market practices and compensation packages observed for the same or similar functions in other major French listed companies and European listed asset management companies.<br>The Compensation Committee analyses the CEO's compensation once a year, with no presumption that the review will result in any change. A revision of fixed compensation may be considered, particularly in the event of a substantial change in the scope of responsibilities or a significant variance in relation to the market.<br>The compensation is paid by Crédit Agricole S.A. in respect of his employment agreement. Yves Perrier receives no fixed compensation from the Company in respect of his position as Chief Executive Officer. |
| | Payment of such items of fixed compensation is not conditional upon their being approved at the AGM called to approve the financial statements for the year ending 31 December 2019. |
| **Variable compensation**<br>**Terms and conditions of determination** | **Terms and conditions for determining the variable compensation**<br>Variable compensation is expressed as a percentage of annual fixed compensation. This variable portion will be calculated based on the objectives achievement level. These objectives are set by using various criteria. In respect of 2019, these criteria are financial criteria for 50% and other criteria for 50%.<br>Pursuant to the AFEP-MEDEF Code, variable compensation is capped and may not exceed the maximum levels defined by the compensation policy. Furthermore, pursuant to Article L. 511-78 of the French Monetary and Financial Code, as amended as a result of the transposition of the CRD IV Directive, variable compensation may not exceed 200% of annual fixed compensation, even if the objectives are exceeded.<br>Each year, the amount of Yves Perrier's variable compensation due in respect of the current year is determined by the Board of Directors, after recommendation of the Compensation Committee and on the proposal of Crédit Agricole S.A.<br>The compensation is paid by Crédit Agricole S.A. in respect of his employment agreement. Yves Perrier receives no variable compensation from the Company in respect of his position as Chief Executive Officer.<br>The criteria for 2019 would be as follows: |
| | **FINANCIAL CRITERIA, ACCOUNTING FOR 50% OF VARIABLE COMPENSATION**<br>The financial criteria, accounting for 50% of variable compensation will depend on the financial results of Amundi and Crédit Agricole S.A.:<br>■ on the Amundi scope (35% of the total): the Amundi NIGS for 17.5% of the total, net banking income (NBI), cost-to-income ratio, and net inflows taking for 5.83% of the total for each of these last three;<br>■ Crédit Agricole S.A. scope (15% of the total). |
| | **OTHER CRITERIA, ACCOUNTING FOR 50% OF VARIABLE COMPENSATION**<br>The other criteria, accounting for 50% of variable compensation, are set each year in light of the Group's strategic priorities. For 2019, 30% of the total is based on managerial criteria relating to Amundi (particularly the continued reinforcement of Amundi's managerial structure by incorporating strategies from the Group's Human Project for 15% of the total as well as the implementation of the ESG policy in accordance with the announced plan and incorporating the strategies from the Group's Client Project for 15% of the total), and 20% is based on the performance of the overseen entities, Crédit Agricole Assurance and Crédit Agricole Immobilier. |
| | For each criterion, the assessment of the performance of Yves Perrier will be determined based on a comparison of results achieved and the target defined.<br>The assessment of how well the target was met, which will be overseen by the Compensation Committee, will take into account the competitive environment and market context, any of which may require an adjustment to how some of the criteria are measured. |

| | |
|---|---|
| **Variable compensation**<br>**Terms and conditions of deferral** | Terms and conditions for deferral and indexation of the annual variable compensation<br>The terms and conditions for deferral and indexation will remain unchanged from those of 2018.<br>The beneficiary will retain his rights to receive unvested tranches of his deferred compensation if he leaves the Company except in the event of resignation or dismissal for gross or serious misconduct.<br>Unvested tranches will however be paid if departure is due to retirement, disability, death or exceptional circumstances justified as such by the Board of Directors. In these cases, unvested tranches of deferred variable compensation will be paid on their normal expiry date pro rata their degree of accomplishment.<br>**DEFERRED PORTION OF ANNUAL VARIABLE COMPENSATION, ACCOUNTING FOR 60% OF THE TOTAL**<br>60% of variable annual compensation is deferred by thirds over three years and is conditional upon achievement of Amundi and Crédit Agricole S.A. performance objectives and the beneficiary's continued presence at the Company.<br>For payment of the deferred compensation in respect of 2019, all the performance objectives that determine payment of Yves Perrier's deferred variable compensation, as determined by the Company's Board of Directors upon recommendation of the Compensation Committee and proposal of Crédit Agricole S.A., are 85% linked to the Amundi Group's own indicators and 15% to those of the Crédit Agricole S.A. Group (financial, stock market and corporate social responsibility conditions).<br>This portion of variable compensation will also be 85% indexed on the Amundi share price evolution and 15% on the Crédit Agricole S.A. share price evolution.<br>**SUPPLEMENTARY PORTION OF TOTAL VARIABLE COMPENSATION, ACCOUNTING FOR 40% OF THE TOTAL**<br>The additional portion of overall variable compensation is paid, amounting to 30% of the total, within the 15 days following the AGM called to approve the financial statements for the year ending 31 December 2019, and amounting to 10% of the total in September 2020. This is based on the assumption that the AGM will (i) approve the payment of the items of variable compensation and (ii) that the AGM called to approve the financial statements for the year ended 31 December 2018 has approved the principles and criteria for the determination of the items of variable compensation. This second portion of variable compensation will also be 85% indexed on the Amundi share price evolution and 15% on the Crédit Agricole S.A. share price evolution. |
| **Variable compensation**<br>**Terms and conditions of payment** | In accordance with Article L. 225-100 of the French Commercial Code, shareholders at the AGM held to approve the financial statements for the year ending 31 December 2019 will be asked to approve the items of variable compensation whose principles and determination criteria they were asked to approve at the previous AGM, called to approve the financial statements for the year ended 31 December 2018.<br>Payment of such items of variable compensation is conditional upon their being approved at the AGM called to approve the financial statements for the year ending 31 December 2019. |
| **Exceptional compensation** | There is no exceptional compensation, except in specific circumstances related to transactions that affect the Company's structure.<br>Payment of items of exceptional compensation is conditional in all circumstances upon their being approved at the AGM called to approve the financial statements for the year ending 31 December 2019. |
| **Directors' fees** | Yves Perrier has waived his right to receive directors' fees. |
| **Valuation of benefits in kind** | Yves Perrier has a Company car provided by Amundi.<br>In accordance with Article L. 225-100 of the French Commercial Code, shareholders at the AGM held to approve the financial statements for the year ending 31 December 2019 will be asked to issue an opinion on the items of compensation corresponding to benefits in kind whose principles and determination criteria they were asked to approve at the previous AGM, called to approve the financial statements for the year ending 31 December 2018.<br>Payment of compensation items corresponding to benefits in kind is not conditional upon the approval of the AGM called to approve the financial statements for the year ending 31 December 2019. |
| **Stock options, performance shares or any other long-term compensation** | There are no plans to award performance shares to Yves Perrier in respect of 2019.<br>There are no plans to award stock options to Yves Perrier in respect of 2019. |

| | |
|---|---|
| **Severance payment: termination payment** | Yves Perrier is not entitled to any termination compensation under the mandate contract, in the event of termination of his office with Amundi.<br>If Yves Perrier were to receive severance pay, it would be on the basis of the termination of his employment contract with Crédit Agricole S.A. and the end of his functions within Crédit Agricole S.A. This compensation would be at the sole charge of Crédit Agricole S.A. and would not be subject to any cross-charging to Amundi.<br>In the event that his employment contract is terminated, Yves Perrier will receive contractual compensation of twice the amount of his fixed and variable compensation over the 12 months preceding termination of his employment contract, calculated in accordance with the terms of the Crédit Agricole S.A. collective bargaining agreement. This compensation would be at the sole charge of Crédit Agricole S.A. and would not be subject to any reinvoicing to Amundi. |
| **Non-compete compensation** | There is no non-compete clause. |
| **Supplementary Pension Plan** | For his position with Crédit Agricole S.A., Yves Perrier is covered by a supplementary pension scheme for executive managers of the Crédit Agricole Group, which supplements the collective and mandatory pension and death and disability schemes. These plans are entirely managed by Crédit Agricole S.A. and are not re-invoiced to Amundi.<br>These schemes combine a defined-contributions plan (Article 83 of the French General Tax Code) and a top-up type defined-benefits plan (Article 39 of the French General Tax Code). Top-up scheme rights are determined after deduction of the annuity constituted within the defined-contributions plan. Under the agreements imposing these schemes, they are applicable to Group managers, defined as being executive employees and corporate officers of the Group's companies not subject to the adaptation and reduction in working time plan. Upon entitlement, Yves Perrier's total retirement income is capped, taking into account all company and mandatory basic and supplementary retirement plans, at 16 times the Annual Social Security Ceiling maximum as of that date, and at 70% of reference compensation. |

# Amundi, a responsible financial institution

3



*N.B.:*

*From FY 2018 onwards, the annual CSR report relating to the Grenelle II Act of 2012 is replaced by the publication of a Statement of Non-Financial Performance (SNFP), governed by the Order of 19 July 2017 and its implementing decrees.*

*Under this Act, Amundi is not obliged to publish such a statement insofar as Crédit Agricole S.A., its Parent company, prepares a consolidated SNFP for the Group which incorporates the non-financial information of its subsidiaries, which it publishes in its annual Registration Document.*

*Acting as a responsible financial institution is a core commitment of Amundi's development strategy. This commitment is reflected in our responsible management and the offer of responsible investment solutions tailored to our customers' needs. Our commitment is also reflected in our corporate societal and environmental policy (CSR). The objective of this report is to give a clear picture of the direct and indirect social and environmental impacts of Amundi's business and to show how the Company takes into account, and satisfies, the expectations of its stakeholders.*

# 3.1 AMUNDI'S CSR COMMITMENTS

## 3.1.1 Amundi's CSR challenges

A pioneer in the field of responsible investment, Amundi has implemented a policy that seeks to incorporate environmental, social and governance (ESG) criteria into its management strategies, beyond traditional financial analysis, and to develop specific initiatives to promote a number of themed investments, particularly those with a focus on the environment and supporting the social and solidarity economy.

A leading European asset manager with €1,425 billion in assets under management, Amundi launched an ambitious three-year action plan in autumn 2018, to take its ESG commitments to a new level.

Amundi's responsibility also consists of applying the principles of sustainable development to its own operations. Reducing and managing its environmental impact, eliminating discrimination, promoting equal opportunity, ensuring transparency and integrity in its governance, developing a long-term philanthropic policy and encouraging the social involvement of its employees are Amundi's CSR objectives. This policy is carried out both in France and abroad.

Furthermore, in terms of the general issues inherent to asset managers, Amundi's specific challenges and the analysis of the direct and indirect impacts of its activities, the Company has made three principal commitments:

- commitment to our clients: act as a responsible financial institution;
- commitment to our employees: make individual and collective development central to our responsibility as an employer;
- commitment to society and the world around us: act as a community-minded, eco-aware citizen.

## 3.1.2 Charters and securities market practices to which we are committed

### CHARTERS TO WHICH WE ARE COMMITTED

Amundi is committed to and conducts its CSR strategy on a voluntary basis in accordance with the values and principles articulated in the following charters:

- 2003: signed the UN Global Compact;
- 2006: founding signatory of the Principles of Responsible Investment;
- 2008: signed the Diversity Charter;
- 2015: signed the Parenthood Charter;
- 2018: signed the Responsible Purchasing Charter.

### SECURITIES MARKET PRACTICES

Amundi is an active participant in working groups conducted by market bodies aimed at moving responsible finance, sustainable development and corporate governance forward. Amundi is notably a member of the AFG[1], EFAMA (whose Responsible Investment Group is now chaired by an Amundi representative), IFA, ORSE, SFAF, French, Spanish, Italian, Swedish, Canadian, Japanese and Australian closed-end investment trusts, and of the French association "Entreprises pour l'Environnement". Amundi is also a member and director of Finansol.

As a major player in asset management, Amundi actively participates in projects related to the regulation of this activity. Amundi contributes to the work of the AFG, particularly that overseen by the "Responsible Investment Committee", as well as the work of the AFIC, ASPIM, AF2i, AMAFI and Paris Europlace for France, the EFAMA and EACB in Brussels, and the AFME, ICMA

*(1) AFG: Association Française de la Gestion financière (French Asset Management Association); AFIC: Association Française des Investisseurs pour la Croissance (French Association of Investors for Growth); ASPIM: Association française des Sociétés de Placement Immobilier (French Association of Real Estate Investment Trusts); AF2i: Association Française des Investisseurs Institutionnels (French Association of Institutional Investors); AMAFI: Association française des Marchés Financiers (French Association of Financial Market Professionals); EFAMA: European Fund and Asset Management Association; EACB: European Association of Cooperative Banks; AFME: Association for Financial Markets in Europe; ICMA: International Capital Market Association; IFA: Institut Français des Administrateurs (French Directors' Institute); ISLA: International Securities Lending Association; ORSE: Observatoire de la Responsabilité Sociétale des Entreprises (Corporate Social Responsibility Observatory); SFAF: Société Française des Analystes Financiers (French Society of Financial Analysts); SIF: Sustainable Investment Forums.*

and ISLA in London. Lastly, Amundi's subsidiaries in Europe belong to the professional associations of their respective countries.

Amundi is striving to reconcile the effectiveness of markets and of its asset management business with the promotion of a more responsible investment model that is more oriented to serving the economy. This year, we have been actively involved, *via* the AFG and EFAMA in particular, in the regulatory transposition of the European Commission's action plan on sustainable finance, published in March. As a European leader in asset management and pioneer of SRI management, Amundi has been able to share its vision and experience with the various parties involved in the project in Brussels, following on from the contributions already made last year at the HLEG (High-Level Expert Group on Sustainable Finance).

In 2018, Amundi responded to over twenty consultations on European and French regulations being drafted or reviewed, as well as FSB (Financial Stability Board) and OSCO (International Organization of Securities Commissions) consultations on an international level.

## AMUNDI'S SUPPORT FOR COLLECTIVE INITIATIVES

Coordinated at international level, investor coalitions have as their goal to encourage governments to adopt incentives and companies to improve their ESG practices. The areas of concern are climate change, water, deforestation and healthcare in developing countries. The coalitions also work to get petroleum and mining companies to show greater transparency in their dealings with the countries where they operate.

| Initiative | Theme | Supported by Amundi since |
|---|---|---|
| Institutional Investors Group on Climate Change (IIGCC) | Climate change | 2003 |
| Carbon Disclosure Project (CDP) | CO2 emissions, transparency of ESG data | 2004 |
| Extractive Industries Transparency Initiative (EITI) | Responsible management of natural resources | 2006 |
| UN Global Compact Engagement on Leaders & Laggards | ESG Reporting | 2008 |
| Forest Footprint Disclosure Project (FFD) | Deforestation | 2009 |
| Water Disclosure Project | Utilisation of water resources | 2010 |
| Access to Medicine Index | Access to medicines | 2010 |
| Access to Nutrition Index | Access to nutrition | 2013 |
| Clinical Trials Transparency | Clinical trials | 2014 |
| Human Rights Reporting and Assurance Frameworks Initiative (RAFI) | Human rights | 2014 |
| Portfolio Decarbonisation Coalition | Climate change | 2014 (co-founder) |
| Asia Corporate Governance Association (ACGA) | Governance | 2014 |
| UNPRI Letter Calling Stock Exchanges to put in place voluntary guidance for issuers on reporting ESG information by the end of 2016 | ESG Reporting | 2015 |
| IGCC Letter to 77 EU companies on their positions and lobbying activities on EU Climate and Energy Policy | Climate change | 2015 |
| PRI Human Rights Engagement | Human rights – ESG Reporting | 2015 |
| Paris Green Bonds Statement of the Climate Bonds Initiative | Climate change | 2015 |
| Montreal Carbon Pledge | Climate change | 2015 |
| Green Bonds Principles | Climate change | 2015 |
| Finance for tomorrow | Sustainable finance | 2017 |
| Workforce Disclosure Initiative Letter | Working conditions – Corporate reports | 2017 |
| Climate 100+ | Climate change | 2017 |
| Global Green Bond Partnership | Climate change | 2018 |
| Living Wage Financials | Living wage | 2018 |
| Act4nature | Biodiversity | 2018 |

## 3.1.3 Application of the duty of vigilance

French Law No. 2017-399 of 27 March 2017 on the duty of vigilance of parent companies and ordering companies applies to the Crédit Agricole S.A. Group, which is obliged to prepare and implement a vigilance plan to better identify and prevent the risks of serious impacts on fundamental human rights and liberties, personal health and safety, and the environment, caused by its activities. Crédit Agricole S.A., as the Parent company, reports on the effective implementation of the measures laid out in the vigilance plan for the Crédit Agricole S.A. Group as a whole, and therefore including Amundi. Further details on the Crédit Agricole S.A. Group's vigilance plan are presented in Chapter 3 of the 2018 Registration Document.

### 3.1.4 Respect for human rights

The commitment to respect human rights is fundamental at Amundi, both as an advocate of responsible management and as an employer. Respect for human rights is one of the criteria used to rate issuers and, together with the environmental criteria, constitutes the basis for Amundi's exclusion policy (see section 2.1 Promoting responsible finance). This commitment is also reflected in Amundi's HR policy, in the form of actions to promote diversity, the fight against discrimination, the importance of social dialogue and collective bargaining, and compliance with freedom of association (see sections 3.1 HR policies and 3.2 Employer-employee communication).

## 3.2 ACTING AS A RESPONSIBLE FINANCIAL INSTITUTION

Acting as a responsible financial institution is a key priority for Amundi, hence placing ESG analysis at the heart of its development strategy. Mindful since its creation of ESG issues, Amundi encourages issuers to adopt best industry practices and offers responsible investment solutions to its clients. Our top commitment is also to provide our clients with high-performing, transparent investment and saving solutions as part of a long-lasting relationship based on trust.

Our convictions are reflected in the 17 Sustainable Development Goals (SDGs) established by the United Nations, through three main axes; our ESG analysis criteria, our commitment policy and our ESG solutions.

### 3.2.1 Promoting responsible finance

#### ASSETS

At 31 December 2018, Amundi's responsible investments covered all asset classes and represented a total amount of €276 billion.

| ASSETS UNDER MANAGEMENT | €1,425 BILLION |
|---|---|
| **Assets under management after exclusion of G-rated issuers** | **€1,358 billion** |
| **Responsible investment assets under management at 31 December 2018** | **€276 billion** |
| ESG funds and mandates<br>*(ESG over/underweighting, special exclusions based on Amundi or client guidelines or requirements)* | €267 billion |
| Special initiatives | |
| ▪ Environment *(climate, energy transition, water, natural resources)* | €8.2 billion |
| ▪ Strictly social enterprise funds | €0.2 billion |

#### A 2021 ACTION PLAN

Having signed the principles for responsible investment (PRI) as soon as they were introduced in 2006, Amundi incorporates ESG criteria into its investment analyses and decisions, in addition to its financial criteria. A pioneer in responsible investment, Amundi launched an ambitious three-year action plan in October 2018, taking its commitments to a new level:

- ESG (Environment, Social, Governance) analysis will be incorporated within the management of all Group funds by 2021;
- the voting policy used at general meetings will automatically take into account the ESG ratings of companies;
- the advisory services specifically tailored to Amundi's institutional investor clients will be enhanced to help support their ESG strategies;
- special initiatives promoting investments in environmental and social impact projects will be doubled;
- investments in the social and solidarity economy will be doubled.

#### THE PRINCIPLES OF AMUNDI'S ESG POLICY

- a systematic ESG analysis of companies, summarised by an in-house ESG rating;
- a targeted issuer exclusion policy (corporates and States);
- distribution of ESG ratings to all managers;
- a policy committing to help companies move towards better ESG practices;
- a voting policy that incorporates ESG-related issues.

### ESG analysis at the heart of our responsible investment process

Our ESG rating methodology is based on a best-in-class approach which consists in analysing and comparing issuers from each sector to identify best practices in terms of sustainable development. This translates into a rating that enables the fund managers to select those companies that best manage their ESG risks and opportunities with a focus on sustainable performance in accordance with Amundi's responsible investment policy.

The ESG analysis of companies is based on documents of universal application such as the United Nations Global Compact, the OECD Guidelines on Corporate Governance, those of the International Labour Organisation (ILO), etc.

Our ESG analysis is applied to all traditional asset classes including equities, bonds, money markets and multi-asset, as well as to real and alternative asset classes such as private equity, private debt, real estate and infrastructure.

In 2018, Amundi was once again recognised for the quality of its ESG analysis and its ability to integrate ESG criteria into its various management activities:

- Principles of Responsible Investment: in 2018, Amundi received an A+ rating for its approach to responsible investment;
- Amundi was number one in the "SRI & Sustainability" survey published by Extel in 2015, 2016, 2017 and 2018, in the Leading Asset Management Companies for the SRI/ESG category.

### A targeted exclusion policy

Amundi applies a targeted exclusion policy based on universally recognised texts such as the UN's Global Compact, human rights agreements, International Labour Organization agreements and those pertaining to the environment. Amundi thus excludes, from all of its active management, companies whose practices do not comply with its ESG convictions or with international agreements and their transposition into national laws, such as but not limited to: anti-personnel landmines, cluster munition, chemical and biological weapons and depleted uranium weapons. These are G-rated issuers according to Amundi's rating system.

Amundi also excludes certain activities whose very negative externalities expose them to increasing pressure from societal and regulatory changes.

In 2016, Amundi made the decision to disengage from issuers that derive over 50% of their revenues from coal extraction, in accordance with the Crédit Agricole Group's commitments to combating climate change and managing the energy transition. In 2017, this threshold was reduced to 30%, and then 25% in 2018. In December 2018, it was decided that the ESG rating of a company that derives more than 10% of its revenues from tobacco will be restricted to E. SRI funds, which exclude E, F and G-rated companies, must therefore not contain tobacco-related investments.

In 2018, 214 issuers (Corporates and States) were excluded from the managed portfolios(1).

### Considerable resources

Amundi uses considerable resources to implement its ESG and SRI strategy:

- 18 analysts dedicated to ESG-related matters (ESG analysis, quantitative and qualitative research, corporate governance). Based in Paris and Tokyo, these analysts meet with the companies, contribute to the definition of Amundi's voting policy at General Meetings, hold discussions with the companies and devise research protocols to analyse the effect of ESG criteria on funds' performance;
- these analysts rely on the expertise of nine European and North American non-financial partner ratings agencies, with global coverage;
- over 5,000 issuers are rated using ESG criteria;
- a distribution interface available in real time granting the fund managers access to the ESG ratings of issuers (corporates and States), in the same way they do financial ratings;
- 70 SRI fund managers.

## AN ACTIVE COMMITMENT POLICY

Amundi's commitment policy covers three areas: engagement for influence, ongoing commitment and commitment by voting. It is an essential component of Amundi's fiduciary responsibility and its role as a responsible investor.

### Engagement for influence

Amundi has a policy committing it to influence specific issues, helping companies move towards better practices. The ESG analysis and Corporate Governance teams publish this work in an annual engagement report, available at www.amundi.com.

In 2018, their research notably focused on the living wage and aggressive tax optimisation practices. These two topics are covered in the Discussion Papers available from the Amundi website.

### Ongoing commitment

To refine the ratings provided by the ESG analysis, the non-financial analysts meet with companies throughout the year. These are selected based on the fraction of equity owned by Amundi and the relative size of the holding in the portfolios or in the benchmark indexes. In 2018, Amundi's non-financial analysts met with 259 companies.

### Voting and shareholder dialogue

Since 1996, Amundi has followed its own voting policy(2), updated annually, that includes environmental and social criteria. Amundi exercises its voting rights at the General Meetings (AGM) of companies in which its portfolios are invested.

Our voting policy meets a threefold objective: to protect the interests of shareholders, to formalise and make public our expectations in terms of governance with issuers and to engage in dialogue with the issuers prior to the AGMs and throughout the year on topics related to effective governance and the transparency of compensation policies. Shareholder commitment is also a lever with increasing influence in favour of a low carbon economy, which has intensified since 2017, in line with the movement initiated by COP 21.

Shareholder dialogue, through constructive and regular discussions, aims to refine our expectations as a responsible investor with regard to the resolutions presented to the AGMs. We engage in this type of dialogue with issuers that represent the top positions in our portfolios. This involves sending pre-alerts before the AGMs with a view to obtaining additional commitments, amendments, or even the removal of certain resolutions presented by the issuers.

*(1) Excluding index funds and ETFs constrained by their reference index.*
*(2) A report on voting rights exercised and shareholder discussions, updated half-yearly, is available on the Amundi website (www.amundi.com).*

In 2018, this commitment involved 202 issuers through alerts and discussions.

| Voting campaign | 2018 |
|---|---|
| AGMs dealt with | 2,960 |
| Resolutions dealt with | 35,285 |

In 2018, we concentrated our efforts on developing and deepening our direct dialogue with the Boards of Directors of major European corporates. This trend has taken off in particular with European issuers in Germany, the Netherlands, Switzerland and Spain. Discussions have mainly focused on renewals and the independence of Boards of Directors, and on compensation plans to take account of environmental risks as part of the corporate strategy.

We are confident that this dialogue is useful. It allows us to go beyond the simple analysis of annual reports (independence, diversity, skills and expertise) and to explore the heart of a company's corporate governance. We understand the role of the Board and work with them to create a long-term relationship of trust. This shareholder dialogue offers us a deeper insight into governance and to extend the scope of commitment to other issues and to social and environmental issues in particular. The recognition by the German Corporate Governance Code (KODEX) of the Chairman of the Board's duty to maintain dialogue with the shareholders is testament to the importance of this approach.

In 2018 in France, oppositions relating to compensation were reported less in the media compared to the previous year. This reflects issuers' plans to present more transparent compensation policies to their shareholders. It also echoes the fact that Boards of Directors are receptive to what their shareholders are saying. The most commonly contested resolutions pertained to statutory modifications restricting shareholders' rights.

## A COMPREHENSIVE OFFERING

Amundi uses the expertise of the whole Group to offer its individual and institutional investor clients a wide range of open-ended funds and tailor-made responsible investment solutions that take account of ESG factors. To meet the diverse range of needs, objectives and motivations of its investors in terms of responsible investment, Amundi has developed solutions incorporating ESG criteria, combined with specific initiatives to enable investors to address environmental and/or social issues, as well as a wide range of capabilities to implement, using a series of active strategies, passive investment solutions and customisable formulas.

### A certified SRI approach[(1)]

As a pledge of confidence for our clients, Amundi is the first management company to have its SRI (socially responsible investment) approach certified by AFNOR. This certification is renewed every year. It is issued by a recognised independent organisation that guarantees the quality and the transparency of its SRI approach through seven service commitments (expertise, data traceability, information, responsiveness, etc.).

### Climate action

At a time when climate change represents a major medium- and long-term risk, Amundi pursued its commitments in favour of the energy transition and a low-carbon economy in 2018. Assets supporting the energy transition and green growth reached €8.2 billion as of 31 December 2018.

Amundi offers turnkey investment solutions in the form of either open-ended funds or bespoke funds run as investment mandates or dedicated funds. These solutions are part of a range of financial innovations (low-carbon index solutions, green bond funds, thematic funds, joint management company with EDF, etc.) and form part of a series of actions (*e.g.* the strategic partnership with the International Finance Corporation, or participation in the Executive Committee of the Green Bond Principle), aiming to mobilise investors in the transition to a low carbon economy.

#### *Portfolio decarbonisation*

The objective of these solutions is to reduce the carbon impact of portfolios, thus reducing the portfolio weighting of issuers that emit a significant amount of $CO_2$ or those holding fossil fuel reserves that may not be exploitable. In September 2014, Amundi was among the first to launch an index-based management offering, based on the MSCI Global Low Carbon Leader Indexes. Amundi's low carbon solutions today represent total assets of almost €3 billion.

#### *Financing the energy transition*

Investments in green finance most often relate to the areas of energy efficiency and green infrastructure. They are designed to address the environmental, social and economic issues that represent the increasing scarcity of natural resources, as well as the management of environmental damage linked to water, air, soil, waste and ecosystems.

As part of our climate solutions package, we offer topic-based funds dedicated to financing the energy transition. The Amundi Valeurs Durables and Amundi Equity Green Impact funds created for international clients are invested in shares of European companies that derive a minimum of 20% of their revenue from the development of green technologies. They take Amundi's SRI criteria into consideration and exclude companies that produce fossil fuels and nuclear energy.

For investors seeking bond products that contribute to the financing of the energy and ecological transition, Amundi offers funds invested in Green Bonds. At 31 December 2018, such assets managed by Amundi totalled €2 billion.

In 2016, Amundi entered into a partnership with EDF that falls within the context of the financing of the energy transition. Known as "Amundi Energy Transition" (AET), the goal of this partnership is to offer institutional investors managed funds in the fields of energy infrastructure and B2B energy efficiency.

The fundraising continued in 2018 thanks to a large number of French and European institutional investors. The total capital of almost €500 million will go towards financing infrastructure projects of almost €2 billion, including debt:

- at the end of 2017, AET completed the acquisition from Dalkia (EDF Group) of a majority stake in a portfolio of 51 co-generation facilities that produce both heat and power for industrial and public clients;

(1) *Certification also covers SRI funds of BFT Investment Managers and CPR Asset Management, both management companies and Amundi subsidiaries.*

- at the start of 2018, majority stakes in two biomass co-generation plants were acquired under the same industrial partnership. The funds will be rolled out over the next 4-5 years;
- in December 2018, AET and Dalkia signed a partnership agreement for the financing of new renewable heating networks and to accelerate the energy transition in France.

*The carbon footprint of the portfolios*

Amundi chose Trucost, the world leader in environmental research and carbon data, to calculate the carbon impact(1) of its funds. This enables us both to satisfy the quantitative provisions of Article 173 as to the inclusion of $CO_2$ emissions related to assets under management and to develop, thanks to the expertise of Amundi's specialised teams, innovative strategies to reduce the carbon footprint of the investment portfolios.

### Impact Investing

In 2018, Amundi wanted to reinforce its impact investing with a view to becoming the sector leader. A dedicated impact investing business line was created in 2018. Amundi has set itself the target of doubling the assets of its Amundi Finance et Solidarité solidarity fund over the next three years and launching a similar investment fund for Europe in 2019. The purpose of this fund will be to invest in the social companies of European countries in which Crédit Agricole and Amundi have a strong presence.

With growth of more than 18% in its assets under management, Amundi's social impact management experienced significant growth in 2018. This growth is the result of a growing interest among individual customers, *via* solidarity-based employee savings schemes, and among institutional investors, in responsible investments.

Our five investment themes have remained unchanged and seek to address the fundamental needs of men and women: to have access to proper housing, to have access to recognised work, to have access to healthcare, education and appropriate training, to protect the environment, and to support solidarity entrepreneurship. These factors combined help ensure strong social cohesion.

In 2018, we continued to follow our long-term strategy of financing regional solidarity funders who support new or very small businesses. We intend to strengthen our partnerships to better identify and support young, growth-oriented businesses in an innovative and solution-focused economy for a better society, now and in the future.

We are currently financing 32 solidarity companies, including 3 new ones in 2018: France Béguinage, RésidSocial, and Bim Bam Job who are particularly active in the realm of social housing and integration through employment. These companies were subject to a twofold financial and social impact analysis based on our in-house methodology. This internal analysis model helps us select, from among the hundred or so businesses we meet with every year, those best equipped to have a long-term social impact along with a long-term outlook for growth as a business. The shortlist is then presented to the "Impact Committee" of the Investment Committee, chaired by a member of Amundi's Senior Management. They are regularly monitored and a report is prepared, covering their positive impacts in accordance with jointly-defined key performance indicators.

We have also reviewed the social impact report with a view to simplifying it and improving its readability. A website dedicated to Amundi Finance et Solidarité investments will go live at the end of this year to complement this report. It will allow shareholders to stay up to date with the most recent achievements of the businesses supported.

Amundi also calls periodic meetings of its social impact partners to discuss the challenges and issues in the social enterprise economy and to put together, with their input, ways of advancing social impact finance. At the end of 2018, the annual meeting of our Partners Club brought together the various parties, as an opportunity to get to know each other better and to outline potential partnership projects. This is one of the key assets of our know-how.

| Solidarity-based savings – Key figures | 2018 |
|---|---|
| Assets *(in € millions)* | 2,778 |
| Variation 2017/2018 | +18.7% |
| Number of social companies financed | 32 |
| Number of Finansol certified funds | 18 |

## COMMITMENT OF AMUNDI'S SPECIALISED MANAGEMENT

### Amundi Immobilier

Since 2010, Amundi Immobilier has been committed to a responsible approach and takes part in numerous industry discussions and initiatives on Responsible Investment, including its participation in the OID (Observatory for Sustainable Real Estate) and ASPIM working groups to create an SRI label for real estate funds.

Since 2012, Amundi Immobilier has adhered to its own Responsible Investment Charter which enables the definition and application of an ESG approach within all of its business lines. The Charter is based on an auditing tool which helps assess the environmental and social performance of directly-managed buildings. It was updated in 2018 to include climate-related issues. New additions to the tool include assessments of:

- the carbon footprint of the building;
- exposure to climatic risks;
- resilience to climate change;
- an energy trajectory target of -2°C.

### Amundi Private Equity Funds

During the audits of the equity, infrastructure and private debt funds, the ESG policies of the managers are carefully reviewed and made part of the total assessment of the investment proposals. To expand this approach during the investment period, Amundi PEF analyses pertinent quantitative and qualitative ESG indicators, both as to the managers and to the underlying positions. As an active shareholder participating in the governance of companies, Amundi PEF also ensures that ESG issues are discussed in Board meetings and that these companies make progress on these issues throughout the duration of the investment (five years on average). Our commitment approach involves recommendations covering periods that vary in length, adapted to the Company and its sector.

*(1) Direct and indirect emissions (scopes 1, 2 and part of scope 3 correspond to the indirect emissions of first-tier suppliers), as well as carbon reserves, are covered.*

**Private Debt**

The Private Debt business was created in 2012 and since then has applied the same ESG principles (adapted for private bonds) as those applied to Amundi's managed funds. The Private Debt ESG approach is based on an 'upstream' approach applied by Amundi's ESG analysts who rely on the sectoral expertise acquired on listed companies, passed on by the Private Debt team managers and analysts *via* questionnaires and personal interviews. In 2018, Amundi's Private Debt team continued to go from strength to strength and to further diversify its expertise. It currently manages €6.6 billion in corporate senior debt, real estate debt and acquisition debt. With regard to corporate senior debt, the management team financed 14 businesses this year, selected in accordance with Amundi's ESG criteria.

## 3.2.2 Keeping the promise to clients

Our top commitment is to provide our clients with high-performing, transparent investment and saving solutions as part of a long-lasting relationship based on mutual trust.

Amundi is organised around two main business lines:

- supplying savings products that meet the needs of private individuals in our partner networks and of third-party distributors;
- developing specific investment solutions for our institutional clients and corporate clients' customers.

Since 2016, Amundi has been hosting an advisory committee composed of leading experts to discuss the global economic and geopolitical outlook, analyse its potential impacts on the financial markets and sharpen our understanding of our clients' needs, particularly in countries where we intend to accelerate our development.

### DEVELOPING A LONG-LASTING RELATIONSHIP WITH PARTNER NETWORKS AND THEIR CLIENTS

Amundi is a partner in four banking networks in France (Crédit Agricole Regional Banks, LCL, Société Générale and Crédit du Nord) and in twelve other networks in Europe and Asia. The Amundi teams work closely with each of the partner networks in identifying the needs and the most appropriate materials and services for their clients. Over 100 Amundi employees (centrally as well as in subsidiaries abroad) are assigned to work on relations with European and Asian partner networks.

Beyond the partner networks, Amundi is developing a growing business with other French and foreign distributor networks (banks, insurance companies, brokers), which most often distribute savings solutions built by Amundi using open architecture and intended for customers of their networks. Highly aware of their in-depth knowledge of the needs of their various retail clients, the Amundi teams work closely with their contacts at partner distributors in a spirit of co-creation of products and related services. Before the launch of any product, we check the characteristics of the product and any sales support with the distributors concerned.

On an international level, significant changes have arisen from the consolidation of Pioneer which gained pace in 2018. Important range simplification work was carried out in 2018, leading to an improvement in the quality of products offered by partner sales networks, particularly internationally.

**Know the needs of individual clients**

We constantly monitor all published public and private studies that touch on saving in the broadest sense of the term. We also assiduously monitor competition in France and abroad. Furthermore, studies were carried out among our panel of 200 individual client and non-client savers of our partner networks. Two studies were conducted in 2018; the first on the theme of socially responsible investment and the second on the concept of a highly innovative real estate product. One major study was completed at the end of 2018, excluding the panel of savings, on the theme of retirement. Based on pre-determined characteristics of the future Retirement Savings Plan, Amundi's retail marketing teams, with the help of an external firm, prepared a detailed questionnaire that was sent to over 3,000 French people aged 30 to 75, representing French households with income in excess of €2,000 per month.

**Product validation**

The Product and Services Committee, a decision-making and governance body chaired each month by the Head of Retail Marketing, formally validates the creation of a fund or a service. This body assembles one representative from each Amundi business line. No product can be marketed without the favourable opinion of the Risk, Legal and Compliance business lines. The request for the approval of the appropriate supervisory authority can then be initiated so that the Amundi sales forces, whether in France or internationally, can market the product.

**Supporting our partner networks in France and abroad**

For Amundi, being close to its networks and teams of advisors, and developing their expertise on our savings products and solutions, is a key priority in terms of meeting client requirements. To this end, the Amundi teams in charge of relations with French partner networks regularly hold training sessions for network advisors. Amundi also offers the Regional Banks and LCL dedicated support (*via* face-to-face meetings, over the telephone and digitally). The partner networks have interactive tools to ensure their advisors stay informed and well-trained. Amundi also provides its partners with regular information on market news with an analysis by its research team and its Advisory team.

**Measuring client satisfaction**

Amundi listens to the opinions of its distributors. In 2018, Amundi decided to join the Crédit Agricole Group's process of periodically measuring client satisfaction, through the Client Recommendation Index. Its first assessment took place during the 4th quarter of 2018 for B2B partners, and the Crédit Agricole and LCL networks in France. It covered both Amundi contacts in the management teams of these networks and end-client advisors (Individual Customer Advisors, Wealth Management Advisors, Private Banking Advisors, etc.). Initial results are positive and reflect “a good relationship between Amundi and its CA and LCL distributors”. The plan is to carry out this survey annually and to extend its scope to include other distributors in France and internationally.

## ESTABLISHING RELATIONSHIPS OF TRUST WITH OUR CORPORATE AND INSTITUTIONAL CLIENTS AND OFFERING THEM SOLUTIONS TAILORED TO THEIR NEEDS

Institutional clients (Sovereign, Institutional, Corporate) expect an asset manager to have a detailed and thorough understanding of their particular needs and to supply appropriate solutions, all within a relationship of trust built over time.

To improve our knowledge of our institutional clients and their requirements, we look at a number of French and European studies and notably finance an annual survey of 140 European pension fund managers, enquiring about their perception of the market and their expectations. A study will be carried out in early 2019 as part of the roll-out of the Client Recommendation Index to our major European institutional clients.

In 2018, Amundi organised two events for its institutional clients, based on the themes of responsible investment and the climate. It also attended ten conferences (PRI, JP Morgan, IPE Awards, Option Financing) on responsible investment and specifically pertaining to green finance, SRI and the Sustainable Development Goals. An Executive Training Programme devoted to responsible investment was also organised by Amundi for 22 international institutional clients.

### Quality of client service

Amundi offers client service that meets the expectations and needs of its clientèle, whether this means setting up a dedicated fund or mandate, or as part of the operational, administrative and reporting aspects of its day-to-day relationships. The Client Service Department stands behind the quality of the service rendered, the responsiveness and the honouring of the Group’s commitments through its everyday interactions with all the links in the Amundi value chain. The company applies a continuous approach to service quality. To date, these commitments have meant that Amundi receives a very limited number of complaints.

The handling of complaints is a key component of the quality of the service provided to Amundi’s clients:

- clients can contact Amundi through all communication channels available to them (email, phone, fax) and all complaints are centralised in the Customer Service Department;
- each complaint receives an acknowledgement of receipt or an initial response;
- answers are validated by the appropriate business line expert;
- requests are entered into the customer relationship management tool by customer service (CRM), which mentions: the name of the client – the subject of the request – date of receipt – date of acknowledgment of receipt – person in charge of processing – details of the reply – closing date.

Amundi is committed to handling complaints as promptly as possible and to providing consistent and systematic quality in its answers. Where necessary, the implementation of action plans is monitored by the Risk Management Department’s Permanent Control team. The complaints process is part of the set of monthly performance indicators. The main complaint topics identified in 2018 involved delays in the circulation of net asset values.

In 2018, for the sixth consecutive year in Paris and the seventh in London, Amundi obtained ISAE 3402[1] type II certification of the institutional scope for its internal control system. This certification, in effect since 2011, is the internationally recognised standard for the quality of a risk management policy, through the assessment of the operational relevance and efficiency of its key controls pertaining to services provided to clients. This certification bears witness to Amundi’s desire and ability to control the risks associated with the transactions entrusted to it by its clients.

## AN INDEPENDENT COMPLIANCE AND RISK MANAGEMENT STRUCTURE TO GUARANTEE OUR COMMITMENT TO OUR CLIENTS

Amundi has an integrated and independent control system to respect the orientations and constraints set by its customers. In this way, the Risks and Compliance functions help strengthen the reliability of Amundi’s products and services and help us meet our obligations to our clients.

### Compliance

The Compliance teams play an essential, preventive role ensuring compliance with regulations, Good Conduct Codes and professional standards, which they safeguard. They look after the clients’ interest, ensure the integrity of the market and the independence of our activities.

To conduct its mission, the Compliance Department has formalised a “Set of Compliance Procedures” detailing the compliance rules that apply, particularly those laid out in the Code of Professional Ethics, the Compliance Manual and the Anti-Money Laundering Manual, and that are carried out through written procedures. This set of procedures is distributed to local managers and applies to all entities.

In addition, Crédit Agricole has adopted a Group-wide Ethics Charter. This Charter underscores the Group’s values of closeness, responsibility and solidarity and displays the Group’s founding convictions, culture and business ethics. It is a reference document that incorporates the principles of actions and behaviour to be respected towards our customers, our employees, our suppliers, the Company and all our stakeholders.

Every three years, training is given on the main compliance topics to all employees of the Amundi Group, as e-learning or face-to-face training. Awareness/prevention of fraud and corruption and anti-laundering/financing of terrorism also form part of the regular training sessions.

In order to increase client protection, in addition to the regulatory requirements, the Compliance Department approves all new activities and products, not only at the creation but also when substantial changes are made to them. For partner networks, this responsibility also extends to sales and marketing documents

*(1) ISAE 3402: International Standard on Assurance Engagements 3402.*

intended for the networks' clients or prospects and for the advisors. For client complaints, the Compliance Department ensures that all complaints are handled and processed in accordance with the law, regulations and procedures. It approves all replies to clients before they are sent.

**Regulatory training provided in 2018 (France scope)**

| | |
|---|---|
| % employees trained | 91.9% |
| Number of employees trained | 1,960 |
| Number of training hours | 5,368.5 |
| Number of training sessions | 9,680 |
| Number of training hours per employee | 2.7 |

In July 2016, for a term of three years, Amundi obtained the British Standards Institution Certificate of Registration (BSI) certification for its anti-corruption management system, thereby demonstrating to the regulator its desire to comply with best market standards.

Between the spring of 2017 and the end of the first half of 2018, Amundi implemented a number of measures to ensure its compliance with the new regulation on protecting the personal data of its clients and employees (GDPR). In terms of its client relationships, Amundi has released information on the implementation of rights and procedures for processing the personal data it collects. In terms of its employees, Amundi has adopted and distributed an employee charter and a charter concerning prospective employees in order to guarantee compliance with the GDPR.

As part of the actions implemented as part of the application of the provisions of the Sapin II Law, a specific mapping of corruption risks was prepared and approved by Compliance with input from all of the departments and business lines affected (Procurement, Finance, Human Resources, Communication, etc.).

### Risk management

Limiting risks and honouring its obligations are basic to the relationship of trust that Amundi has with its clients. Amundi's Risk Management function is highly integrated, in order to give the Group a consistent, systematic approach to measuring and monitoring risks for all its activities.

This integration is based on a worldwide on-line business organisation and the sharing of methodologies and tools common to all Risk teams, so that everyone is speaking the same language. The organisation and controls deployed evolve regularly to ensure a risk management continually adapted to the Company's challenges and provide customers with the assurance that our explicit commitments and compliance with regulatory obligations are being implemented. Investments are audited by staff who are independent of fund management personnel. It is integrated with Amundi's Business Support and Audit Division, whose main mission is to protect the client's interest. Its role is to ensure, through a dedicated information system, that the investment constraints requested by clients or required by regulations are observed.

Risk control personnel install and monitor an internal system to regulate management processes, in three phases:

- devising, in systematic fashion, internal control rules and regulations specific to each investment strategy, based on a preliminary identification of the risk factors that underlie performance;
- overseeing on a daily basis the management actions taken, to check that the investment decisions and the positions in the portfolios are in keeping with the management rules and the objectives sought;
- evaluating ex post the quality of the management processes, based on independent measurements made using proven methodologies.

To ensure its adherence to principles of fiduciary duty, Amundi prepares and sends two documents to its clients, the prospectus and the KID (Key Information Document), describing the conditions on which the fund is managed, as well as the relationship between yield and the level of risk associated with such management. Several indicators reflecting the risk level of funds are included in these documents. They are calculated independently by the Risk Department.

| Business line headcount in Control Departments (at 31 December in FTE) | 2018 |
|---|---|
| Compliance business line | 100.9 |
| Risk Management business line[1] | 209.3 |
| Audit business line | 36.5 |
| As % of total headcount | 8.0% |

*(1) Headcount according to the business line, which may differ from Management's opinion.*

# 3.3 MAKING INDIVIDUAL AND COLLECTIVE DEVELOPMENT CENTRAL TO OUR RESPONSIBILITY AS AN EMPLOYER

Amundi tries to foster the growth of its employees, personally and collectively, in order to serve the performance of the Company. Its human resources policy is based on the development of skills, a shared management culture, the promotion of equal opportunities and good quality two-way employer-employee communication.

Amundi's human resources policy focuses on five key goals:

- supporting employee talent within the business by emphasising performance and encouraging internal mobility;
- a responsible corporate environment;
- respecting the equal opportunity principle to promote various forms of diversity;
- developing a "learning company";
- encouraging the commitment to solidarity among employees.

## 3.3.1 HR policies

### EMPLOYMENT POLICY

In 2018, Amundi's employment policy met two main objectives:

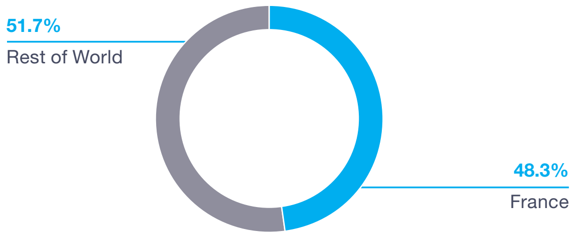
- **to support the synergies and evolution of organisations:** in 2017 and 2018, the primary objective of the employment policy was to adapt the workforce as part of the merger with Pioneer Investments. Priority was given to supporting external departures and organising internal mobility to enable the rapid establishment of new organisations under conditions that are respectful to individuals;
- **to support the Company's development:** the corporate strategy focuses on development to foster job growth. Business lines and growth areas are changing. The employment policy supports these changes. This involves the continuous monitoring of the adaptation of human resources from a functional and geographical point of view, and continuing to strive for operational efficiency. To this end, internal mobility remains a key element for Amundi in terms of adapting the workforce:
  - functional mobility to anticipate changes in business lines and encourage employees to move towards developing sectors,
  - geographical mobility to support the development of certain places of business and promote cross-overs between countries.

#### Change in headcount

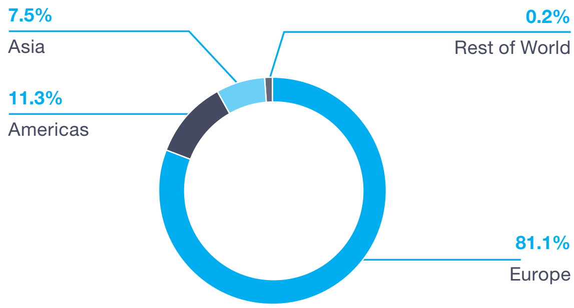
The Pioneer acquisition in 2017 increased the international scope of Amundi, with a combined global headcount(1), excluding joint ventures, at 31 December 2018, of 4,339.9 full-time equivalent (FTE) employees, compared with 4,649.4 employees at 31 December 2017, *i.e.* a decrease of 6.7%.

**At 31 December 2018**

**Breakdown of headcount between France and Rest of world**




**Breakdown of headcount by geographical area**




#### Departures

Concomitantly to the acquisition of Pioneer Investments, a global downsizing plan was implemented. This plan covered the loss of approximately 650 jobs and the redeployment of 150 staff to sectors with potential. These reductions, which the Group has undertaken to support *via* plans adapted to local social practices, began in 2017. They continued during 2018.

(1) *Headcount of Amundi Group consolidated and non-consolidated entities (excl. joint ventures).*

In France, the voluntary departure plan launched in January 2018 provided for 134 redundancies. Worldwide, at the end of December 2018, almost all synergies had been achieved. Those still to be concluded in 2019 concern external staff (service providers, temporary workers) following the completion of the IT migrations.

| **Departures** *(number)* | 2018 |
|---|---|
| Worldwide | 611 |
| of which France | 125 |

### Hiring

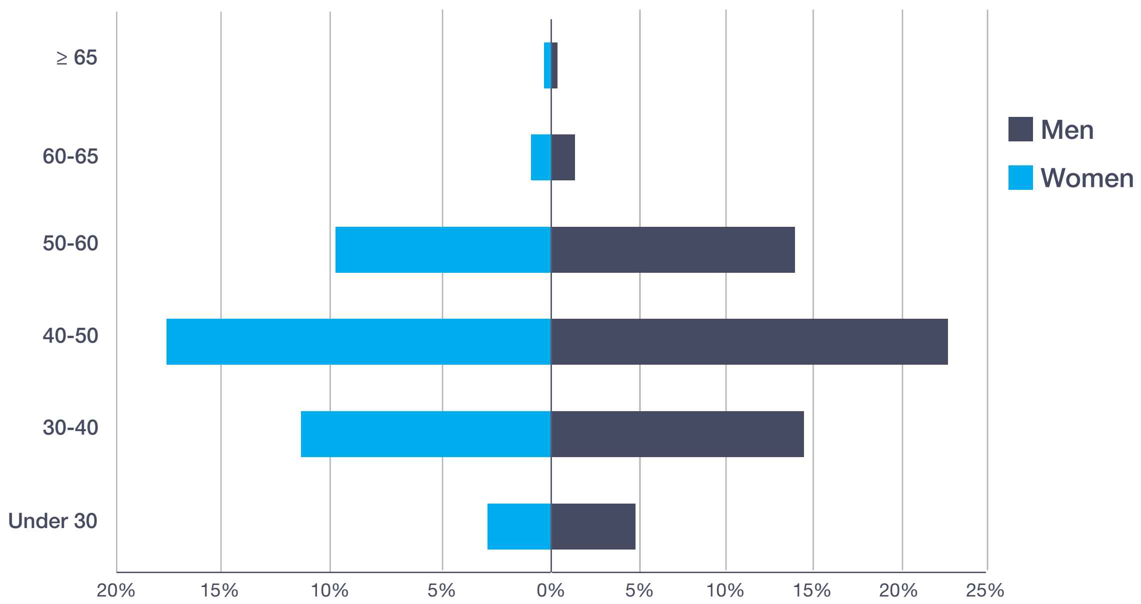
Over the course of the year, there were 391 permanent and fixed-term contract recruitments (FTE). Relative to the number of employees, recruitments (91.8% of which were on permanent contracts) were fairly balanced between those made internationally and in France. In France, they primarily concerned the IT and Middle Office sectors, for which a programme to recruit 70 employees was launched in mid-2017. Internationally, the vast majority of new hires were experienced professionals. New hires accounted for 8.9% of the worldwide headcount at 31 December 2018.

| **New hires***(1) (number)* | 2018 |
|---|---|
| Worldwide | 391 |
| of which France | 127 |

*(1) Data includes external permanent and fixed-term hires, and hires under the Crédit Agricole Group mobility programme. Figures are calculated net of collective transfer and returns from extended leave (e.g.: illness, sabbatical, business creation leave, etc.).*

### Age pyramid

**Breakdown of headcount by age and gender**




## TRAINING

Through these training and support measures, Amundi seeks:

- to ensure that employees can progress within the Group and occupy positions that make the most of their experience and match both their personal objectives and those of the Company;
- to ensure the long-term employability of its employees.

Policy is defined annually based on the Company's development needs and the business lines' financial, technological and regulatory changes. To support in-company transfers, which help employees' development, employability and motivation, Amundi provides individual monitoring and training support. Significant resources are allocated to support employees who change business line or whose line is being reorganised.

In 2018, the Phileas digital training platform totalled more than 4,000 single users and 130 training courses in French and English. Introduced three years ago, the platform is now recognised as a successful skills development tool for all employees, both in France and internationally. The Phileas digital platform has modules specifically dedicated to business applications to support the migration of IT systems in the various countries that have joined since 2017.

The language e-learning module has been drastically improved and now offers an identical experience *via* its mobile version, meaning it can be used both out and about, and in the office. There are almost 1,300 registered users, of which over 1,000 are considered "active" in their learning. We have also continued our efforts to enhance the language learning scheme through "Get Together" conversation groups.

The training for new managers introduced in 2017 is still in place. Following a total overhaul of the programme in 2017, four groups of new managers have successfully completed their training. Encouraged by this success, these training sessions now include practical management groups at the request of interns.

The roll-out of teleworking in France has been accompanied by training for the managers and employees concerned. By the end of the year, a first wave had seen 46 managers undergo training, 66% of the total target audience. This training will continue during 2019 and be gradually implemented throughout Amundi in accordance with the teleworking deployment schedule.

| **Training (excluding Compliance/Regulatory)**<br>**Scope in France** *(number of natural persons, excluding staff provided by Crédit Agricole S.A.)* | **31 December 2018** |
|---|---|
| Number of employees trained | 1,272 |
| % employees trained | 60% |
| Total number of training hours | 20,761 |
| Average number of actions per employee trained | 1.65 |
| Average number of training hours per employee trained | 16.3 |

## INDIVIDUAL MANAGEMENT AND TRANSFERS

To foster individual growth and professional development within the Group, each employee is personally managed by a human resources manager and undergoes annual assessments by his or her manager. Annual employee reviews are organised jointly by management and the Human Resources Department to encourage the growth of each employee.

Amundi's talent management policy is to identify and support key employees whose professional development is essential for an international group like Amundi, with the objective of establishing succession plans and providing the employees in question with career and growth opportunities.

## DIVERSITY AND ANTI-DISCRIMINATION

Amundi has a policy of respecting professional diversity, aiming to maintain dialogue with its principal stakeholders on subjects such as disability, discrimination and equality between women and men. In 2008, Amundi signed the Diversity Charter, in which it undertook to comply with and promote non-discrimination. This commitment is specifically reflected in the requirement for fairness in the main human resources procedures: recruitment, compensation, training, evaluation and professional promotion.

### Gender equality in the workplace

Amundi organises campaigns to fight all forms of discrimination and to promote equal opportunities between men and women. The gender equality policy developed by Amundi is part of this objective. It relies on three major priorities:

- turn gender equality (and more broadly, diversity) into a transformation lever for the Company and particularly for managerial performance:
  - regular awareness-raising programmes regarding gender-based stereotypes,
  - in France, a diversity and anti-discrimination training programme was launched in June 2018. By the end of the year, 325 managers had completed this module, representing 89% of the target audience. This programme will continue during 2019 to ensure all managers receive the training module. A serious game was launched for all employees – including management – in January 2019,
  - in 2018, the Amundi-Pioneer department in the USA, keen to promote a more diversified organisation, attended training sessions with the main aim of exploring the positive impact of diversity on the Company's performance and developing the tools required to ensure the success of all employees. In 2019, diversity ambassadors will be raising awareness of these issues throughout the organisation;
- encouraging the career advancement of women to positions of responsibility through the identification and deployment of measures to assist women with potential;
- the performance of periodic diagnostics on the gender wage gap and the correction of any gaps found. In 2018 in France, two studies were carried out on the gender wage gap.

In 2016, Amundi signed a three-year agreement with labour partners on gender-based professional equality, designed to guarantee professional and salary parity between men and women, as well as the implementation of actions enabling employees to establish a better work-life balance. By signing this agreement, Amundi affirmed its commitment to the principle that gender balance within the business is a source of complementarity and mutual enrichment for employees, as well as a force for balance, social cohesion and economic efficiency for the business.

| **Percentage of women in the company** | **31 December 2018** |
|---|---|
| Percentage of women in the workforce | 42.4% |
| Percentage of women in management | 33.5% |
| Percentage of women in the senior executive position Circle | 21.9% |
| Percentage of women in the Executive Committee | 15.4% |
| Percentage of women in Board of Directors | 41.7% |

### Disability

In 2018, Amundi took pro-active initiatives to hire people with disabilities. Over the duration of the Crédit Agricole Group's 2017-2018-2019 disability agreement in France, Amundi set itself the goal of achieving 18 new hires, across all contract types (permanent, fixed-term, work study). In 2018, with 4 new hires, added to the 5 made in 2017, Amundi has achieved 50% of its triennial target. Amundi has also recruited 5 interns and 3 temporary workers during this time. At 31 December 2018, Amundi had 61 employees with disabilities.

**Evolution in the employment rate of people with disabilities* (France) at 31 December**

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|
| 2.13% | 2.50% | 3.15% | 3.31% | 3.86% | 4.50% | 4.34% |

* *Disability Employment Rate Contribution.*

### Intergenerational contract

The agreement which became effective on 1 January 2017 set out a threefold objective:

- to promote the employment of young people, in particular through a programme to recruit recent graduates;
- to retain seniors, while at the same time facilitating the transition towards retirement during the years preceding departure;
- to promote the transmission of knowledge and skills from one generation to the next.

Under the intergenerational contract and among other commitments to young people and senior workers, Amundi agreed that during the term of the agreement, permanent hirings of people aged under 30 would make up 40% of total hirings and that the fraction of employees older than 55 would be greater than 10% of the workforce.

At 31 December 2018, the percentage of new hires under 30 years of age was 43.0%. The employment rate of people over 55 years of age within the Group remained stable at 10.8%.

## REMUNERATION

Amundi's compensation policy is based on three principles that combine individual and collective performance. It takes into account the economic environment, competitiveness and the labour market. As these considerations may differ from one country to the next, Amundi adapts its compensation policy to local situations and realities. The compensation policy is reviewed annually by the Compensation Committee chaired by an independent director and composed of directors that are either independent or who do not hold an executive function within Amundi. It complies with recent regulatory changes (AIFMD/UCITS V, MIFID and CRD IV).

The key components of Amundi's compensation scheme are as follows:

- a fixed salary in line with duties and responsibilities;
- variable compensation which breaks down into an annual bonus determined by the manager, and a long-term incentive:
  - the annual bonus rewards an employee's contribution to Amundi's performance and is based on both individual and collective factors,
  - the Long-Term Incentive ("LTI") is granted to a select group of key executives in the form of Amundi performance shares, designed to motivate managers to achieve financial targets set out in the Amundi Business Plan;
- collective variable compensation which ensures employees in France share in the profits of Amundi's financial performance. The total amount is set as a function of a benchmark figure adjusted for changes in net income, in assets under management, and in the cost-to-income ratio.

In 2018, Amundi continued to apply its compensation policy in two areas:

- to promote the development of young employees and those who take on new responsibilities;
- to pay particular attention to entry-level salaries.

Under the authorisation given by the Annual General Meeting of May 18th, 2017, the Amundi Board of Directors approved in principle the introduction on 1 August 2018 of a new performance share plan for certain beneficiaries. This plan follows the same objectives as previous plans, namely the alignment of the interests of the Group's senior executives in achieving the commercial and financial objectives of Amundi's Medium-Term Plan.

## EMPLOYEE SHARE OWNERSHIP

A new capital increase transaction reserved for employees was completed during summer 2018, taking the percentage of employee shareholders in the Amundi share capital to 0.3% at 31 December 2018. A director elected by the employees for a three-year term is responsible for representing the employees on the Board of Directors.

# 3.3.2 Employer-employee communication, psychosocial risk (PSR) prevention policy and quality of life in the workplace

## EMPLOYER-EMPLOYEE COMMUNICATION

Amundi's social policy is to engage in constructive dialogue with the various employee representative bodies, whether through formal bodies or through *ad hoc* groups facilitating more in-depth discussion. Amundi recognises that social dialogue and healthy employee representative bodies contribute to Amundi's development.

In France, two main topics were the focus of employer-employee communication in 2018:

### The establishment of a voluntary redundancy plan in France

To support the implementation of the new organisation and the creation of synergies associated with the Pioneer consolidation, a voluntary redundancy plan open to all Amundi employees in France[1] was introduced during the first quarter 2018. This plan was agreed with the trade unions in December 2017.

The mobility support scheme is based on the following three principles:

- no forced departures;
- priority given to internal mobility;
- commitment made by management to provide the resources required to support the synergies.

The voluntary redundancy plan was launched on 23 January 2018 and closed on 5 March 2018. During this period, three monitoring commissions approved 134 external departures.

### Organisation of the new social dialogue framework

The creation of the Economic and Social Committee (ESC) was an opportunity to define a new organisation for social dialogue that meets the needs and challenges of the Company. In November 2018, a unanimous agreement was made between management and the trade unions on how this new representation of the Amundi SEU employees would look.

The definition of this new organisation was based on three main areas of focus:

- optimising strategic debates by concentrating discussions at ESC meetings on economic and social topics. To this end, and to ensure records are prepared in advance, 4 commissions, related to mandatory information and consultations, will be implemented within the ESC;
- giving greater visibility to social dialogue;
- maintaining close relationships and dialogue (*e.g.* an ESC commission dedicated to Valence-related matters).

In addition, seven agreements and amendments were signed during 2018:

- a majority agreement on the content of the VDP within the Amundi SEU;
- an agreement on the implementation of electronic voting;
- an agreement on the transformation of employee representative bodies and the exercise of trade union rights;
- a pre-electoral memorandum of understanding on the election of members of the staff delegation of the Economic Social Committee;
- an agreement on the donation of leave days within the Amundi SEU;
- an amendment to the agreement on the company savings plan;
- an amendment to the Amundi SEU's agreement on the harmonisation of mandatory group personal protection benefits (incapacity – death – invalidity.

## PSYCHOSOCIAL RISKS PREVENTION POLICY (PSR)

Amundi's policy on the prevention of PSR and on quality of life in the workplace is one of ongoing improvement and integration into HR policies. It is notable for its interdisciplinary approach – relying on managers, the Human Resources Department, occupational medicine, and employee representatives (IRP[2]).

In France, specific governance of psychosocial risks in the workplace begins with a monitoring committee that meets quarterly and tracks the various indicators, in addition to monthly meetings of a management committee dedicated to the HR monitoring of at-risk employees.

In 2018, the actions undertaken in previous years were continued with, in particular, maintaining a listening space for employees in difficulty and monitoring long absences in coordination with the occupational health service. As part of the Amundi-Pioneer merger, the Company has strengthened its PSR process by improving the responsiveness of the existing system (reinforced HR system, alert procedure, monthly monitoring committee, and management committee dedicated to sensitive situations).

## QUALITY OF LIFE IN THE WORKPLACE

For several years now, Amundi has sought to establish measures intended to improve quality of life in the workplace and to help employees achieve a better work-life balance.

Exceeding the legal requirements, in France the Company takes action through:

- the organisation of work (meetings that comply with the team's working hours, defined planning ahead of time, etc.);
- the establishment of measures that facilitate the life of parents (sick child leave, concierge services, maternity and parenting guides, etc.);
- supporting the social endeavours of the Works Council (access to childcare centres, help with childcare costs, etc.);
- vigilance regarding professional equality (hiring, training, mobility, compensation, etc.);
- and raising awareness among managers.

The Human Resources Department has prepared two guides (on maternity and parenthood) and made them available to its staff. The collective bargaining agreements in effect within Amundi provide for a certain number of measures designed to promote balance between employees' professional lives and family life (sick child leave, breastfeeding leave as standard, etc.). Childcare solutions have been set up with the assistance of the Amundi SEU Works Council, including reserved places in a childcare centre network. Similarly, the constraints associated with work-life balance are reduced by the possibility of the allocation of Chèques Emploi Services Universels (home help services money vouchers). The Works Council also promotes a better reconciliation of private and professional life by granting Amundi employees access to a dedicated gym.

In 2018, aware of the difficulties encountered by employee carers, the Human Resources Department updated the practical guide for employees on the measures implemented within the Company to help balance their professional life with caring for a loved one. This guide also details the services offered by the RESPONSAGE platform to which all Amundi employees now have access. It also covers the legal provisions governing carers and lists the various organisations and associations operating in this field.

The agreement on the donation of days, renewed in 2018, is also covered by the Company's social and solidarity policy. Amundi wanted to extend this scheme to include spouses, partners and registered cohabitants and, more generally, all close family members

*(1) Amundi SEU excluding Amundi Tenue de Comptes.*
*(2) Employee representative bodies.*

with a serious illness or disability or who are a victim of an accident. The donation of days is based on the fundamental principles of being voluntary and anonymous.

At its registered office in Paris, the Company has set up a concierge service offering a range of services intended to make employees' daily lives easier, offering to take care of tasks such as collecting dry-cleaning, organising shoe repairs or handling administrative formalities.

The working hours agreement encompasses three main provisions: observing compliance with daily rest periods, regulation of the use of remote connection tools outside of working hours by granting the right to disconnection, and the obligation to discuss, at the annual assessment interviews of managers on number of working days-type contracts, the monitoring of their workloads.

In 2018, Amundi committed to the gradual roll-out of teleworking within the SEU. A charter was signed on 4 September 2018. This sets out the general framework, operating principles and eligibility conditions for teleworking. This roll-out will continue during the second half of 2018 and the first half of 2019.

In 2018, a variety of prevention and awareness-raising actions were launched to promote health in the workplace and help employees take responsibility for their own health:

- a week dedicated to back problems and musculoskeletal pain (conference & debate, group workshops on "working with screens" and "looking after your back", individual workshops on "relaxation massage", distribution of the "Postures and Screen Work" guide to all employees, etc.);
- three blood drives for which there were a total of 224 donors;
- one visual session on the theme of "Protecting children's eyesight";
- one flu vaccination campaign in Paris and Valence (374 employees vaccinated);
- one SEEPH[1] in Paris and Valence with appointments for Amma massage and floating relaxation, as well as a campaign to raise awareness of smart tools for the blind and visually impaired, and a fair trade market in conjunction with ESAT.

In 2018, 185 employees were trained in First Aid and the use of a defibrillator (two-hour training session) and 31 employees completed a refresher course of their Workplace First-Aider training (one-day session).

## 3.3.3 Measurement of employee commitment

Every year, Amundi carries out a survey to measure the commitment of its employees. Known as the "Commitment and Recommendation Index (CRI)" this approach is used within all Crédit Agricole Group entities. In 2018, Amundi undertook the survey in France and in 15 countries abroad. The survey was sent to over 4,000 employees, with a participation rate of 59%. The Amundi score was 64% favourable responses, down 5 points from 2017.

## 3.3.4 Societal involvement

### POLICY FOR HOSTING YOUNG PEOPLE IN TRAINING

Amundi contributes significantly to the training of young people through internships offered to recently graduated students from diverse areas of study and through work-study, which enables a young person to both finance his or her education and gain his or her first work experience.

Accordingly, in 2018, almost 585 young people – mainly in France (76.6%) – were welcomed into the Amundi Group for long-term internships, work-study contracts, VIE[2] programmes, CIFRE[3] doctorates, and summer jobs. Amundi also welcomed approximately fifty students as part of work experience programmes.

Amundi benefits from the energy and fresh outlook of this talent pool, who in return receive support from employees, volunteer tutors and apprenticeship managers. Since the end goal of these young people is to gain employment, Amundi is also interested in organising workshops to support them in their job searches.

In 2018, for the fifth consecutive year, Amundi was awarded the Happy Trainees label, which recognises companies for the reception and assistance they provide to young people.

### JOINT INITIATIVES INVOLVING EMPLOYEES

Amundi's commitment to social responsibility has also led to involving employees in joint projects with charitable organisations.

For example, since 2013 Amundi has run an annual philanthropic programme called "Give a Hand," which provides funds for its employees' social projects. In parallel, Amundi organises an annual Charity Challenge in Paris. This week focuses on solidarity and is an opportunity to make commitments in favour of many charities including, for instance, the Challenge Against Hunger organised by ACF, with whom Amundi has been a partner since 2010.

*(1) European Disability Employment Week.*
*(2) VIE: "Volontariat International en Entreprise" (International Business Volunteering).*
*(3) CIFRE: Conventions Industrielles de Formation par la Recherche (Industrial Research Training Contracts).*

Internationally, Amundi employees are also involved in a variety of community projects including fundraising, donations, volunteering and even sporting events:

- in the UK, this included fundraising for Macmillan Cancer Support which provides care and support to people affected by cancer and the annual Movember event to raise awareness of men's health issues;
- in Germany, the Rest-Cent Initiative allows employees to donate a few centimes to charity each month, directly from their pay;
- in the USA, the Amundi Pioneer Helping Others programme supports over 20 charities and offers employees numerous opportunities to get involved in community events (collections of clothing, food, toys and school supplies for the Home For Little Wanderers Project);
- in Milan, the Amundi teams ran a marathon in favour of Spagnolli-Bazzoni Onlus based in Zimbabwe. This association, also supported by Amundi Dublin, helps the population in the fight against AIDS and also supports early diagnosis projects.

# 3.4 ACTING AS A COMMUNITY MINDED, ECO-AWARE CITIZEN

For Amundi, acting as a community-minded citizen means conducting sponsorship programmes over the long-term, adopting responsible purchasing practices and reducing its environmental impact.

## 3.4.1 Sponsorship

In 2018, Amundi committed to three new partners:

- the International Labour Organisation, *via* the event "EtreS au Travail" which will celebrate one hundred years of the UN's specialist agency in March;
- Autistes Sans Frontières, which helps hundreds of autistic children to gain an education through mainstream schooling thanks to specialised support;
- the Villa of Composers, which works to collect, preserve and share written music by composers from all over the world.

Amundi also adhered to its commitments to long-standing partners in the realms of culture, education and solidarity. For more than fifteen years, we have been the main sponsor of the French Academy in Rome (Académie de France et de la Villa Médicis) for the reception of artists in residence, the cultural programme of the Academy, catering, and the preservation and restoration of the site. With regard to culture, Amundi also works in collaboration with the Grand Palais and the Théâtre National de Chaillot. As a principal partner of Action against Hunger (ACF), Amundi has sponsored the Hunger Race since 2010, an inter-company challenge intended to raise funds to support ACF projects.

Amundi is committed to a number of international causes. Through its Amundi Pioneer Helping Others programme, Amundi US supports over twenty charitable organisations operating in fields such as illiteracy (First Literacy), helping women in difficulty (On the Rise and Rosie's Place), and the integration of disabled people (Best Buddies). In Dublin, Amundi is a partner of the Trinity Student Managed Fund (Trinity SMF), Europe's first investment fund exclusively managed by students, on a voluntary basis. The goal is to create an autonomous resource for the educational development of students at Trinity College. During the Christmas period in Austria, Amundi donated to four different charities: World Vision, SOS Kinderdörfer, St. Anna Kinderspital / Kinderkrebsforschung, and LernLEO. Its choice of associations reflects the most popular initiatives among employees, as well as a good balance between international and local organisations.

## 3.4.2 Responsible purchasing

Amundi's responsible purchasing policy is part of the Crédit Agricole S.A. Group's CSR policy which is designed to promote purchases of goods or services by taking into account, firstly, the actual need. And secondly, by looking at the economic, social and environmental aspects of the response to this need, while ensuring balanced relationships between the Company and its suppliers, with due regard for their reciprocal rights.

This policy forms part of a committed and responsible approach and is designed to be a mutual vehicle for progress and innovation. It applies to all employees involved in the purchasing process and their suppliers.

The guidelines of the purchasing policy are based on agreements such as the United Nations Global Compact, the Diversity Charter and the Mediation Charter on Responsible Supplier Relations. All of the commitments set forth in these documents concern the respect for human rights and labour regulations, anti-discrimination of all types, the promotion of diversity, environmental protection and business ethics.

In 2018, Amundi continued its work to develop the use of the sheltered sector. Since 2013, the amount of revenues associated with the adapted sector (EA/ESAT[(1)]) has increased significantly. At 31 December 2018, this figure was €543,000.

*(1) EA: Adapted company/ESAT: Establishment and service for assistance through work.*

In addition, to improve the invoice processing procedure, measures in place since 2015 continued to be implemented in 2018:

- quarterly indicators have been introduced and analysed by the Procurement Committee every two months. Vigilance plans have been launched and are monitored by the various committees together with the relevant stakeholders;
- suppliers with high numbers of invoices have been asked to reduce their volumes by presenting all goods or services on just one (monthly or quarterly) invoice;
- electronic invoicing has also contributed to the improvement of turnaround times, with suppliers now sending their invoices to a dedicated supplier accounts email address;
- the reduction of payment terms from 45 days to 30 days for very small companies requesting this has limited the financial impact that very long payment terms can have on small businesses.

These actions have significantly improved processing times from 73%[1] in 2014 to 82% in 2018.

## 3.4.3 Direct environmental footprint

Amundi's operations do not have a major direct environmental impact. Nevertheless, in order to apply the principles of corporate social responsibility to its operations, the Company has undertaken to reduce its direct impact on the environment by limiting its $CO_2$ emissions through active management of its energy consumption and business travel. At the same time, Amundi regularly carries out environmental actions to develop the responsible use of paper, waste recycling, making employees aware of eco-gestures, and the development of Green IT[2].

### RESPONSIBLE BUILDING MANAGEMENT

Amundi's registered office in Paris complies with environmental standards, resulting in Amundi being awarded the BBC[3] Effinergie label and becoming HQE Exploitation[4] and BREEAM[5] certified. Amundi-Tenue de Comptes, the Valence (Drôme) based subsidiary, operates in a building that also meets environmental standards. Two major Amundi premises in Boston and Milan are LEED[6] certified buildings.

#### Energy audit and renewable energy

Following the energy audit of its Paris buildings in 2015, Amundi has taken a formal approach to improving its energy efficiency. An energy use improvement plan was implemented. Since 2016, our buildings in Paris[7] have been powered using electricity from 100% renewable sources, mainly hydro-electric.

Some of the actions implemented include: the reduction in the difference of programme settings +/-2°C, the reduction of centralised air conditioning operating periods[8], the replacement of bulbs with LED lighting, window contacts to cut fan units when open and a reduction in their operating periods, standardisation of temperature settings in IT premises to 25°C, the commissioning of the heat recovery network, and automatic motion sensor activated lighting.

#### Responsible use of paper

Amundi pursues a responsible paper policy both in France and abroad, with the objective of reducing its use of paper, promoting careful use of paper and recycling used paper.

**With regard to office equipment:** automatically configuring printers to double-sided, black and white, swipe cards for making copies, lower-weight paper, the use of certified paper and, in France, electronic invoicing. The percentage of dematerialised invoices reached 79% at the end of December 2018.

**With regard to communication media:** Printing on certified paper, selection of printers certified Imprim'Vert and making more documents available in electronic form.

**With regard to desktop publishing:** Amundi-Tenue de Comptes (ATC), the account-keeping subsidiary for employee savings schemes, continued its efforts to reduce its paper consumption. In 2018, ATC recorded a rise in the rate of subscription to its e-services from 57% to 62%, which has reduced the amount of printing paper used by 8% over the year. In total, an almost 6% reduction in paper consumption was recorded in 2018, compared with 2017, despite Amundi TC recording a 7% increase in the number of letters issued.

#### Responsible management of waste

Amundi has adopted voluntary selective sorting, in collective bins, in all its buildings in France, since 2013. Recyclable waste (paper, plastic cups and bottles, cans, printer suppliers, batteries, and waste of electrical and electronic equipment (WEEE)) is managed by CEDRE, a sheltered workshop employing people with disabilities. In addition to the selective sorting, Amundi holds a Cleaning Weeks operation each year in its Paris premises with a view to sorting and clearing superfluous paper. Every year, the recycling work entrusted to CEDRE generates 3.52 Beneficiary Units (reduction in Agefiph tax).

Since 2016, glass and plastic bottle caps have been integrated into the recyclable material sorting chain. In 2018, a cigarette butt recycling initiative was introduced at our Paris buildings. Biowaste

*(1) Percentage of invoices paid on time.*
*(2) Green IT is a concept that aims to reduce the environmental, economic and social footprint of information and communication technologies.*
*(3) Low Consumption Building.*
*(4) High Environmental Quality.*
*(5) Building Research Establishment Environmental Assessment Method.*
*(6) LEED: Leadership in Energy and Environmental Design.*
*(7) Excluding data centres.*
*(8) Air Treatment Unit.*

is collected from the Company restaurant. Recyclable materials are also sorted. The grease traps are biologically treated in-house for both buildings, resulting in less discards and fewer truck movements to clean the traps and dispose of the grease at an external station.

| **Waste** *(in tonnes)* | **2018** |
|---|---|
| Recycled waste(1) | 175.8 |
| Non-recycled waste | 113.4 |
| **TOTAL** | **289.2** |

*(1) Paper, paper cups, plastic bottles, cans, printer consumables, batteries, WEEE, glass and plastic bottle caps.*

### Actions taken to combat food waste

The partner of the Paris Company restaurant carefully manages its services so as to minimise the amount of food wasted.

## GREEN IT POLICY

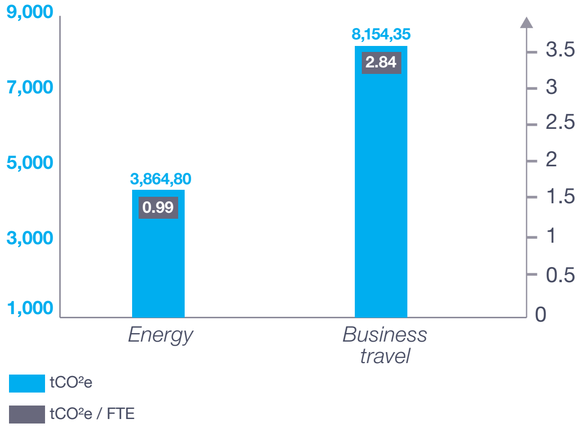
Amundi seeks to control the environmental impact of its information systems in several ways:

- at the individual use level, work stations are automatically switched off in the evening and restarted the next morning. To attain greater savings during absences, any work station that is unused as of 11am is switched off. Every day this saves 150kWh;
- office IT equipment (workstations, printers, microcomputers, laptops, small equipment, etc.) are recycled by the service provider ATF GAIA, a W3E certified company contracted by the Crédit Agricole Group. Equipment components that are not re-used for resale are systematically sent to a certified partner. Amundi also recycles its used magnetic cartridges. There are bins for recycling used toner drums;
- the selection of central infrastructure components is influenced by their electric consumption and heat dissipation characteristics. Accordingly, our overall electric consumption has not increased since 2012, whereas the processing power delivered has gone up significantly. Within Amundi, all IT equipment intended for users (screens, work stations, phones, printers) complies with international energy efficiency standards. Recently acquired central units are less energy-intensive than the older models;
- finally, 100% of the computer equipment we buy is certified or complies with recognised international standards.

### $CO_2$ emissions control

Every four years, Amundi prepares a complete carbon footprint assessment on the entirety of its scope and monitors the $CO_2$ emissions in two major areas on an annual basis: energy and business travel. At the same time, Amundi implements solutions to control and reduce its $CO_2$ emissions. The latest comprehensive carbon footprint assessment was completed in 2016 using 2015 data. A new Carbon footprint assessment will be carried out in 2019.

### $CO_2$ emissions




### Travel policy

Amundi's contribution to the fight against greenhouse gas emissions includes the existence of a policy on responsible business travel applicable to the entire Amundi Group. As part of the consolidation of Pioneer, Amundi has reviewed its travel policy, introducing mandatory validation of the relevance of the trip, prior authorisation for trips abroad, compulsory rail travel for journeys of less than three hours, limitation of taxi journeys, categorisation of rental vehicles according to the number of passengers, and greater use of video conferencing. So as to make travellers more aware of the environmental impact, $CO_2$ emissions are mentioned on each reservation. With regard to commuting, Amundi covers 80% of transport costs, excluding by private car (*e.g.* Navigo public transport cards and Velib cycle cards, etc.), and encourages employees to cycle to work. When selecting company cars, Amundi favours fuel-efficient vehicles and uses hybrid vehicles.

In 2018, as part of the law on the energy transition for green growth, for its sites in Paris and Valence, Amundi introduced a Corporate Travel Plan designed to limit and optimise home/work travel and business trips for employees.

### Equipping Amundi buildings for video-conferencing

The meeting rooms are equipped with video-conferencing equipment. The equipment ratio in the Paris buildings is over 51%. For meetings between staff of different offices, priority is given to the SKYPE For Business system.

### Educating employees about "acting green"

Every quarter, Amundi sends employees a quantitative and qualitative report on volumes of waste sorted and recycled. Several initiatives to raise awareness and share information about eco-friendly initiatives are carried out in France and internationally (*e.g.* waste sorting campaign in Great Britain, promotion of eco-gestures in the United States, awareness of LEED certification in Italy, etc.). Finally, in France, Amundi is committed to preserving biodiversity and bees, with beehives on its buildings in Paris and Valence.

# 3.5 METHODOLOGY AND INDICATORS

## 3.5.1 Methodological note

### SCOPE OF REPORTING

The reporting scope is the entire financial scope of consolidation of the new Amundi Group as at 31 December 2018 (excluding joint ventures):

- **certain HR indicators** are available for France only. These data are noted in the indicator table.

  France scope: Amundi SA, Amundi Asset Management, CPR Asset Management, Etoile Gestion, Société Générale Gestion, BFT Investment Managers, Amundi Finances, Amundi Immobilier, Amundi Intermédiation, Amundi Private Equity Funds, Amundi IT Services, Amundi Tenue de Comptes, Amundi Transition Energétique[(1)] ;
- **environmental data** cover the France scope and subsidiaries with more than 100 employees, except for KBI Global Investors, a management company acquired by Amundi in 2016.

  Scope of 2018 environmental data: France, Great Britain, Italy, Ireland, Austria, Germany, Japan and the United States. The scope of environmental data covers 89.2% of the Amundi Group workforce. If certain data were unavailable for part of the reporting scope, the coverage rate is recalculated and mentioned next to each indicator.

### DATA PRESENTATION

- **HR data:** unless otherwise indicated, the population covered is that of "active" employees, presented in Full-Time Equivalents (FTEs).

  The concept of "active employees" implies a legal tie in the form of a standard permanent or fixed-term employment contract (or similar, for international activities), a presence on the payroll and in the position on the last day of the period, and working hours equal to or greater than 50%;
- **environmental data:** because the data of Pioneer Group entities is only available for six months of the 2017 financial year, the comparison between 2018 and 2017 data is not relevant.

### METHODOLOGY FOR CALCULATING RESPONSIBLE INVESTMENT ASSETS UNDER MANAGEMENT

The sum of responsible investments managed by Amundi takes into account, for the entire Group scope, the AuM of all open-ended funds, mandates and dedicated funds with a responsible investment objective.

The typology applied is as follows:

- **multi-dimensional ESG integration:** funds using ESG ratings in a certified or customised framework;
- **environmental:** funds designed to contribute to the energy transition, invest in green assets or reduce the carbon footprint of a portfolio;
- **social:** funds aiming to finance the social and solidarity economy.

There is no double counting. If a fund falls under more than one theme, only the dominant theme is counted.

### METHODOLOGY FOR CALCULATING THE BENEFICIARIES OF SOCIAL IMPACT MANAGEMENT

In the absence of generally accepted practices and given the difficulty in identifying the beneficiaries of each company in a uniform, systematic way, impact estimates are made using a methodology individually agreed with each investee company and based on a ratio of "impact per €10,000 invested". Using the rule of three, Amundi's contribution can thus be calculated. It should be noted that doing so calculates impacts on an assets basis and not an annual impact basis. Finally, the scope does not include funds whose impact is entirely realised internationally. The impacts of a financed company are deferred no later than one year after the investment. The impacts of companies whose financing started during the reporting year are not prorated. The scope of impacts covers 91.3% of total assets under management.

*(1) Amundi Transition Énergétique is not part of the scope of financial consolidation.*

## 3.5.2 Table of indicators

| Employment indicators | | Unit | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| **EMPLOYMENT** | | | | | |
| Headcount | Number of employees(1) | Number | 4,417 | 4,734 | 3,167 |
| | Number of employees(1) | FTE | 4,339.9 | 4,649.6 | 3,108.7 |
| | Number of employees in France | FTE | 2,094.3 | 2,126.6 | 2,106.4 |
| | Number of employees internationally(1) | FTE | 2,245.6 | 2,523.0 | 1,002.3 |
| | Number of employees in joint ventures | FTE | 1,141.3 | 1,230.3 | 997.5 |
| | Percentage of external personnel in the Amundi headcount(2) | % | 9.2 | 10.06 | 11.3 |
| Breakdown by contract type | Number permanent | FTE | 4,287.3 | 4,564.2 | 3,087.7 |
| | Percentage of permanent staff | % | 98.8 | 98.2 | 99.3 |
| | Number of managers* | FTE | 2,306.0 | 2,005.7 | 1,987.8 |
| | Number of non-managers* | FTE | 410.6 | 107.9 | 118.6 |
| Breakdown by age | Under 30 | Number | 334 | 259 | 191 |
| | [30 to 40[ | Number | 1,132 | 1,286 | 965 |
| | [40 to 50[ | Number | 1,776 | 1,922 | 1,215 |
| | [50 to 60[ | Number | 1,055 | 1,132 | 727 |
| | [60 to 65[ | Number | 97 | 135 | 69 |
| | ≥ 65 | Number | 23 | | |
| | Average age | Number | 44.0 | 44.0 | 43.1 |
| Years of service | Average years of service | Number | 8.1 | 12.9 | 12.9 |
| Breakdown by gender** | Women | Number | 1,874 | 1,929.0 | 1,364.9 |
| | Men | Number | 2,543 | 2,720.6 | 1,743.8 |
| | Women | % | 42.4 | 41.5 | 43.9 |
| | Men | % | 57.6 | 58.5 | 56.1 |
| | Female managers* | % | 41.5 | 42.2 | 42.5 |
| | Male managers* | % | 58.5 | 57.8 | 57.5 |
| | Female non-managers* | % | 56.5 | 74.4 | 75.0 |
| | Male non-managers* | % | 43.5 | 25.6 | 25.0 |
| Breakdown by geographical area | Europe | FTE | 3,517.5 | 3,722.0 | 2,646.1 |
| | of which France | FTE | 2,094.3 | 2,126.6 | 2,106.4 |
| | Asia | FTE | 323.6 | 388.1 | 372.1 |
| | Americas | FTE | 488.8 | 528.5 | 80.5 |
| | Other | FTE | 10.0 | 11.0 | 8.0 |
| Departures by reason** | Death | Number | 4 | 2.0 | 4.0 |
| | Resignation | Number | 294 | 188.4 | 91.1 |
| | Dismissal on personal or economic grounds | Number | 142 | 50.8 | 20.0 |
| | Retirement | Number | 27 | 21.5 | 20.7 |
| | Agreed termination of contract | Number | 51 | 32.6 | 27.0 |
| | Other | Number | 40 | 92.2 | 70.7 |
| Departures by geographical area** | Departures | Number | 611 | 360.7 | 200.8 |
| | Departures in Europe | Number | 402 | 238.7 | - |
| | Of which departures in France | Number | 125 | 73.9 | 94.4 |
| | Departures in Asia | Number | 121 | 67.0 | - |
| | Departures in the Americas | Number | 88 | 53.0 | - |
| Departure rate(3) | Departure rate | % | 13.8 | 6.3 | 6.5 |
| | of which France | % | 5.9 | 3.5 | 4.5 |
| | Rest of World | % | 21.3 | 12.2 | 11.0 |

* *Scope: Amundi (France).*
** *Beginning with the 2018 financial year, the data is presented in numbers and no longer as FTEs.*
(1) *Headcount of Amundi Group consolidated and non-consolidated entities (excl. Joint ventures).*
(2) *External personnel: temporary workers and service providers.*
(3) *Departure rate: number of departures of permanent and fixed-term employees over the year, divided by the total headcount at the beginning of the year.*

| Employment indicators | | Unit | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| New hires (permanent + fixed-term contracts)** | Hiring | Number | 391 | 181.5 | 186.0 |
| | of which France | Number | 127 | 89.5 | 93.9 |
| | Rest of World | Number | 264 | 92.0 | 92.1 |
| New hires (permanent)** | Hiring | Number | 359 | 139.5 | 163.5 |
| | of which France | Number | 121 | 87.5 | 81.9 |
| | Rest of World | Number | 238 | 52.0 | 81.6 |
| | Short-term contracts converted to permanent(4) | Number | 132 | - | - |
| | Contractors brought in-house | Number | 82 | - | - |
| Mobility | Number of transfers to the CASA Group | Number | 9 | 9 | 13 |
| | Number of internal transfers | Number | 199 | 249 | 296 |
| Compensation* | Median annual gross salary (permanent) | € | 61,000 | 62,000 | 59,000 |
| | Average collective variable compensation per employee(5) | € | 9,022 | 8,839 | 8,800 |
| **ORGANISATION OF WORKING HOURS** | | | | | |
| Working hours(6) | Full-time employees | Number | 4,193 | 1,912 | 1,900 |
| | Of which female | Number | 1,620 | 742 | 742 |
| | Of which male | Number | 2,573 | 1,170 | 1,158 |
| | Part-time employees | Number | 391 | 246 | 251 |
| | Of which female | Number | 351 | 225 | 231 |
| | Of which male | Number | 36 | 21 | 20 |
| **ABSENTEEISM*** | | | | | |
| Absenteeism(7) | Accidents | Number of days | 364 | 749 | 666 |
| | Maternity/Paternity | Number of days | 7,111 | 6,463 | 7,447 |
| | Illness | Number of days | 10,185 | 15,164 | 17,827 |
| | Authorised absence | Number of days | 4,100 | 7,946 | 7,042 |
| | Rate of absenteeism | % | 1.3 | 1.5 | 1.5 |
| **TRAINING*** | | | | | |
| Training(8) | % individuals trained | % | 60 | 62.6 | 63.5 |
| | Number of employees trained | Number | 1,272 | 1,350 | 1,366 |
| | Number of training hours | Number of hours | 20,761 | 23,118 | 34,093 |
| | Average number of training hours per employee trained | Number of hours | 16.3 | 17.11 | 24.9 |
| | Budget allocated to training excl. tax | €k | 1,234 | 1,257 | - |
| | Number of training sessions | Number | 2,096 | 2,269 | 2,281 |
| | Average number of training actions per employee trained | Number | 1.65 | 1.68 | 1.67 |
| **ANNUAL REVIEW** | | | | | |
| Annual review | % of assessment interviews | % | 67.6(9) | 88.1 | 95.2 |

* Scope: Amundi (France).

** Beginning with the 2018 financial year, the data is presented in numbers and no longer as FTEs.

(4) Short-term contracts: fixed-term and work-study contracts.

(5) The VCC (Variable Collective Compensation) corresponds to profit-sharing and incentives.

(6) For FY 2018, the data is presented on a Group level, as opposed to the 2017 and 2016 data which pertained only to France.

(7) From 2018, the calculation reflects the actual number of days as opposed to calendar days.

(8) Includes face-to-face training, e-learning and courses leading to certification, excluding conferences and seminars, excluding regulatory training mandatory for all employees (excluding staff provided by Crédit Agricole S.A.) and excluding training provided via the PHILEAS tool.

(9) Scope: Amundi Group excluding Amundi-Pioneer in the USA.

| Employment indicators | | Unit | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| **EMPLOYER-EMPLOYEE RELATIONS*** | | | | | |
| Employer-employee communication | Number of employee representatives | Number | 55 | 55 | 55 |
| | No. of meetings of the Works Council and Safety/Working Conditions Committee | Number | 32 | 33 | 33 |
| | Number of agreements or riders signed | Number | 7 | 6 | 9 |
| | Number of safety/working conditions agreements signed | Number | 0 | 0 | 0 |
| **HEALTH & SAFETY*** | | | | | |
| Work-related accidents and occupational illnesses | Frequency rate of work-related accidents | Number | 5.4 | 6.1 | 4.1 |
| | Number of work-related accidents | Number | 6 | 11 | 15 |
| | Number of work-related accidents (commuting) | Number | 25 | 31 | 29 |
| | Number of occupational illnesses | Number | 1 | 0 | 1 |
| **NON-DISCRIMINATION** | | | | | |
| Gender equality | Percentage women, Board of Directors | % | 41.7 | 41.7 | 41.7 |
| | Percentage women, Executive Committee | % | 15.4 | 20.8 | 9.7 |
| | Percentage women, executive positions(10) | % | 21.9 | N/A | 23.1 |
| | Percentage women, management positions | % | 33.5 | 34.8 | 35.0 |
| | Percentage women, promotions to management positions | % | 32.3 | 35.4 | 30.4 |
| | Percentage men, promotions to management positions | % | 67.7 | 64.6 | 69.6 |
| | Percentage women, 10% highest paid | % | 22.6 | - | - |
| Disability* | Percentage of disabled employees(11) | % | 4.34 | 4.50 | 3.86 |
| | Number of disabled persons hired or integrated(12) | Number | 12 | 11 | 10 |
| | Number of employees with disabilities | Number | 61 | 65 | 67 |
| Intergenerational contract | Percentage of new hires aged under 30(13) | % | 43.0 | 28.0 | 34.2 |
| | Percentage of employees aged 55 and above | % | 10.8 | 11.4(14) | 11.6 |
| | Number of interns, work study, VIE, CIFRE and summer jobs | Number(15) | 585 | - | - |
| | | Average number(16) | 331.2 | 347.9 | 310 |

*Scope: Amundi (France).*
** *Beginning with the 2018 financial year, the data is presented in numbers and no longer as FTEs.*
*(10)Due to the merger with Pioneer Investments, no data is presented for 2017.*
*(11)Disability Employment Rate Contribution.*
*(12)The indicator includes permanent and fixed-term contracts, work-study, interns and temporary workers.*
*13) Only permanent hires are recognised.*
*(14)2017 data has been adjusted to reflect the data published in the 2017 Registration Document.*
*(15)2018 flows of internship contracts longer than 2 months, apprenticeships, vocational training contracts, VIE, CIFRE and summer jobs.*
*(16)Based on end of month numerical headcount, average calculated on the year.*

| Business line indicators | | Unit | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| Total assets under management | | € billion | 1,425.1 | 1,426.1 | 1,082.7 |
| Assets under management after exclusion of G-rated issuers[17] | | € billion | 1,358.4 | - | - |
| Responsible investment[18] | AuM | € billion | 275.8 | - | - |
| | ESG funds and mandates | € billion | 267.3 | - | |
| | Environment | € billion | 8.2 | - | - |
| | Strictly social enterprise funds | € billion | 0.22 | - | - |
| ESG analysis | Issuers rated on ESG criteria | Number | > 5,000 | > 5,000 | > 4,000 |
| | Specialists in extra-financial subjects | Number | 18 | 17 | 17 |
| | Companies met with | Number | 259 | 192 | 205 |
| | Number of issuers excluded | Number | 214 | 256 | 200 |
| Solidarity-based savings | AuM | € billion | 2,778 | 2,341 | 1,796 |
| Breakdown of social investments by topic | Employment | % | 36.4 | 35.7 | 37.1 |
| | Housing | % | 36.3 | 31.3 | 34.6 |
| | Education | % | 0.7 | 0.1 | 0.1 |
| | Health | % | 14.0 | 16.4 | 18.9 |
| | Environment | % | 4.05 | 4.6 | 3.1 |
| | International solidarity | % | 7.9 | 10.7 | 5.8 |
| | Service to non-profits | % | 0.47 | 0.4 | 0.2 |
| | Over indebtedness | % | 0 | 0.3 | 0.2 |
| | Farmers funded | % | 0 | 0.4 | - |
| Impacts of solidarity investments[19] | Employment | Number of beneficiaries | 16,341 | 12,868 | 11,450 |
| | Housing | Number of beneficiaries | 2,315 | 1,469 | 1,273 |
| | Education | Number of beneficiaries | 4,186 | 153 | 53 |
| | Health | Number of beneficiaries | 19,280 | 13,044 | 7,293 |
| | Environment | Hectares | 2,283 | 806 | 162 |
| | | Tonnes of recycled waste | 17,674 | 14,147 | 8,091 |
| | International solidarity (microcredit) | Number of beneficiaries | 29,948 | 37,772 | 12,560 |
| | Service to non-profits | Number of beneficiaries | 360 | 118 | 63 |
| | Over indebtedness | Number of beneficiaries | 3,477 | 3,687 | 2,060 |
| | Farmers funded | Number of beneficiaries | 34 | 204 | - |
| Assets Carbon footprint of the portfolios | Assets subject to a carbon footprint calculation[20] | € billion | 479.1 | 463.84 | - |
| | Carbon emissions in million euros of revenue | $tCO_2e$ | 231.3 | 226.5 | - |
| | Carbon emissions in millions of euros invested | $tCO_2e$ | 151.4 | 180.5 | - |

*(17)New indicator published in 2018. Has not been recalculated for previous years.*

*(18)In 2018, Amundi changed the presentation of its data on responsible investment to include all funds and mandates incorporating the ESG criteria, environmentally themed assets and strictly social enterprise funds. There is no double counting between these three categories.*

*(19)Number of beneficiaries of social impact investing, hectares of land and tonnes of recycled waste are calculated cumulatively since the beginning of the investments made by Amundi.*

*(20)The AuM on which the carbon footprint is calculated corresponds to the assets managed by Amundi (with the exception of Amundi-Pioneer assets in the USA, joint ventures and Real Assets), less non-rated and non-rateable securities, and for which we have data provided by TRUCOST.*

| Business line indicators | | Unit | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| Voting policy[21] | Commitment actions with investee companies ahead of AGMs | Number | 202 | 233 | 240 |
| | AGMs dealt with | Number | 2,960 | 2,540 | 2,623 |
| | Resolutions dealt with | Number | 35,285 | 32,443 | 32,771 |
| | Number of resolutions presented by shareholders and supported by Amundi on corporate governance | Number | 520 | 265 | 299 |
| | Number of resolutions presented by shareholders and supported by Amundi on social/societal issues and human rights | Number | 21 | 121 | 80 |
| | Number of resolutions presented by shareholders and supported by Amundi on environmental matters | Number | 48 | 54 | 51 |
| | Total number of resolutions voted against | Number | 5,307 | 4,893 | 5,477 |
| | Number of resolutions voted against on Board balance | Number | 2,162 | 1,882 | 2,069 |
| | Number of resolutions voted against on equity transactions (including poison pills) | Number | 1,177 | 932 | 1,006 |
| | Number of resolutions voted against on compensation of Senior Management | Number | 1,408 | 1,307 | 1,608 |
| Ethics and Compliance | Number of Compliance Committees | Number | 9 | 11 | 11 |
| | Number of complaints | Number | 3,357 | 4,064 | 2,865 |
| | Number of employees trained in anti-money laundering procedures (LCB-FT)[22] | Number | 3,632 | 204 | 90 |
| | Number of employees trained in anti-fraud procedures[22] | Number | 3,706 | 223 | 83 |
| Corporate and *Institutional* Customer Service | Total complaints | Number | 45 | 20 | 46 |
| | of which contesting a trade | Number | 11 | 10 | 13 |
| | of which time to execute a trade | Number | 6 | 4 | 3 |
| | of which quality of offer | Number | 27 | 6 | 28 |
| | of which pricing | Number | 1 | 0 | 2 |
| Partner networks[23] | Staff specialising in networks | FTE | 126.3 | 168.5 | 181.7 |
| Risk management[24] | Percentage of managed portfolios having a risk strategy | % | 99.3 | 99.8 | 99.1 |
| Business line headcount in Control Departments | Business line headcount in Risk Departments | FTE | 209.3 | 225.8 | 165.0 |
| | Business line headcount in Audit Departments | FTE | 36.5 | 42.9 | 26.6 |
| | Business line headcount in Compliance Departments | FTE | 100.9 | 108.0 | 64.8 |
| | Percentage of total headcount | % | 8.0 | 8.1 | 8.2 |
| Sponsorship[25] | Amount of contributions | €k | 2,433 | 1,101 | 1,409 |
| Responsible purchasing* | Purchases from sheltered sector companies | €k | 543 | 540 | 339 |
| | Use of sheltered sector companies | Number of beneficiary units | 26.2 | 25.6 | 16.9 |
| | Percentage of invoices paid within 2 months | % | 82 | 83 | 83 |

* *Scope: Amundi (France).*

*(21)Amundi Group excluding Amundi-Pioneer in the USA.*

*(22)Internal anti-corruption training is now dealt with in the module "Fight against fraud" and external corruption in the training "Fight against money laundering and financing of terrorism (LCB-FT)". These training courses are not deployed every year.*

*(23)Historic partner networks: Crédit Agricole Regional Banks, LCL Gestion, Société Générale Gestion and Etoile Gestion.*

*(24)This indicator is calculated on a Group scope, with the exception of the following countries: Austria, Czech Republic, Germany, Italy and USA.*

*(25)2017 data related only to Amundi Asset Management in France. For 2018, the Amundi Group's reference scope has been extended and includes the funding given to research chairs.*

| Environmental indicators | | Unit | 2018 | Reporting scope coverage rate | 2017 | 2016 |
|---|---|---|---|---|---|---|
| Energy | Energy consumption | KWh | 25,037,497 | 100% | 22,419,899 | 20,579,926 |
| | Energy consumption per employee | KWh/FTE | 6,466 | 100% | 7,423 | 7,517 |
| | $CO_2$ emissions | $tCO_2e$ | 3,864.8 | 100% | 2,674.9 | 2,124.9 |
| | $CO_2$ emissions per employee | $tCO_2e$ / FTE | 0.99 | 100% | 0.88 | 0.78 |
| Business travel | Train | km | 4,556,972 | 93.7% | 4,019,138 | 3,955,961 |
| | $CO_2$ emissions, $trai_n$ | $tCO_2e$ | 205.3 | 93.7% | 181 | 179 |
| | $CO_2$ emissions per employee, train | $tCO_2e$ / FTE | 0.06 | 93.7% | 0.07 | 0.08 |
| | Airplane | km | 28,410,137 | 100% | 23,770,879 | 19,182,876 |
| | $CO_2$ emissions, airplane | $tCO_2e$ | 7,949 | 100% | 6,837 | 6,168 |
| | $CO_2$ emissions per employee, airplane | $tCO_2e$ / FTE | 2.05 | 100% | 2.09 | 2.32 |
| Paper | Paper consumption | Tonnes | 441.1 | 100% | 248.7 | 270 |
| | Recycled paper consumption | Tonnes | 214.0 | 100% | 89.6 | 96.6 |
| Water | Water consumption | $m^3$ | 36,862 | 96.7% | 38,613 | 25,694 |
| | Water consumption per employee | m3/FTE | 9.8 | 96.7% | 12.3 | 12.2 |
| Waste | Volume of non-recyclable waste | Tonnes | 113.4 | 75.6% | 120.1 | 111.3 |
| | Volume of recycled waste (excl. paper)[26] | Tonnes | 32.0 | 91.2% | 26.6 | 89.6 |
| | Volume of recycled paper mass | Tonnes | 143.8 | 87.9% | 107.1 | 78.1 |

*(26)2017 data has been adjusted to reflect the data published in the 2017 CSR report.*

# 2018 Operating and Financial review

4

# 4.1 PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 4.1.1 Changes in accounting principles and methods

Changes in accounting principles and methods are described in note 1.1 to the consolidated financial statements as of 31 December 2018.

## 4.1.2 Changes in the consolidation scope

The change in the consolidation scope is described in note 9.3 to the consolidated financial statements as of 31 December 2018.

# 4.2 ECONOMIC AND FINANCIAL ENVIRONMENT

## 4.2.1 The macroeconomic environment in 2018

**Although global growth began to slow in 2018, growth in the US remained strong, supported by fiscal policy. Growth in the euro zone, however, was disappointing and the conditions in emerging markets deteriorated.**

### UNITED STATES

Confidence in the United States remained high until the end of the year, the labour market continued to improve and inflation remained under control. The Federal Reserve therefore continued to normalise its monetary policy. However, Washington's introduction of customs duties fuelled fears of a trade war between the US and China, with a negative impact on trade growth and confidence at the end of the year. The American economy is expected to weaken further between now and the end of 2019 and the Fed may be preparing to call time on its cycle of rate hikes.

### EURO ZONE

In the euro zone, growth was very disappointing. Firstly, industrial activity and exports were affected by the strong euro at the start of the year, and later by trade tensions. In addition, temporary factors (changes in pollution control standards) led to a sharp decline in automotive production in Germany. Lastly, the increase in oil prices (until October) and rising political uncertainty in the major countries at the end of 2018 (Germany, Italy, France) took their toll. Not to mention the lack of clarity over Brexit. Nevertheless, we expect growth to stabilise in Europe from spring 2019 onwards, with political tensions set to continue until the European elections. With regard to prices, core inflation (excluding energy and food) is expected to stay low (close to 1%) in 2019. The ECB, which in December 2018 terminated its asset purchase programme, could grant new loans to the banking sector (TLTRO). No interest rate hikes are expected in 2019.

### EMERGING MARKETS

In the emerging markets, growth began to slow in 2018. Several central banks began to rethink their loose monetary policies and increase rates to fight the inflation caused by the depreciation of their currencies against the dollar. The emerging markets were negatively impacted, on the one hand, by growing geopolitical, international and idiosyncratic risks (crises in Turkey and Argentina), but also by the trade war between the United States and China.

**The various world economies will not be synchronous in 2019. Despite highly contrasting developments in different countries, emerging markets should see some recovery at the end of 2019, whereas growth in the advanced economies should stabilise, or potentially even slow down. Eventually, we should see global growth stabilise at around 3.5% in 2019 and 2020(1).**

*(1) Text drafted in January 2019.*

## 4.2.2 Asset class performance in 2018

### 2018 – A YEAR LIKE NO OTHER

Never in the past forty years have so many listed asset classes posted such negative performance. This year was even worse than 2008. And this is even more shocking because in 2017, the situation was the opposite. Based on this performance criteria alone (positive vs negative), according to some studies, 2018 will have been the worst year since the start of the 20th century (and 2017 the best). In other words, we have just experienced two exceptional, totally contrasting years, without any feeling of euphoria in 2017 or signs of financial crisis in 2018. In terms of asset management, it should also be noted that in 2018, the benchmark index covering the fourteen largest publicly listed global fund managers, fell more than 30% over the year, a good leading indicator of investor nervousness regarding the outlook for the stock market over the coming months.

In terms of portfolio management, it was therefore difficult, if not impossible, to find any reassurance or protection in traditional safe havens last year (*e.g.* gold), or to rely on the potential virtues of diversification. In relative terms, this does put the poor performances of all indices and benchmarks somewhat into perspective.

Elsewhere, our fears of a gradual downturn in the global economy were confirmed early in the year, especially in the euro zone. The Federal Reserve monetary restraint and talks of the risks of a full-blown trade war also played their part in the markets plunging. Furthermore, 2018 was also unusual in that, for the first time in a long time, customs duties began to rise. **Overall, in terms of performance, some would say that 2018 was the symmetrical opposite of 2017.**

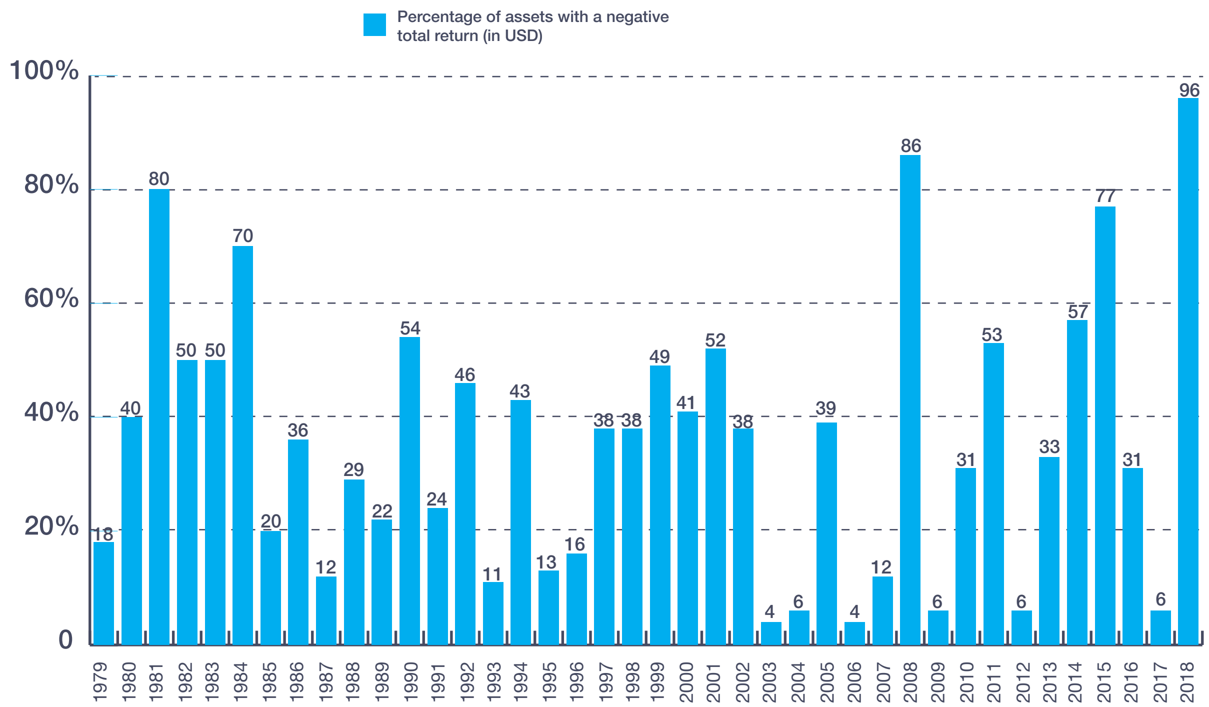
**Some of the main factors contributing to market movements in 2018** included:

- **the fear of escalating protectionism, potentially leading to a full-blown trade war:** the most affected areas being Europe and EMG countries;
- **a higher-than-expected increase in rates in the USA,** triggering a rise in long-term rates and the dollar: the most affected areas were emerging (EMG) markets;
- **a delicate political and economic situation in Italy:** weak growth, an "unnatural" coalition, news of fiscal slippages... Should this situation be considered unique to Italy or should we be worried about a systemic risk affecting the entire euro zone?
- **additional specific risks in Argentina, Turkey, etc.;**
- **growing aversion to risk,** which has hit the EMG countries hard, particularly those with high levels of external dependency and/or greater vulnerability and/or poor creditworthiness;
- **the budgetary and fiscal stimulus successfully driven by Donald Trump in the United States is coming to its natural end;**
- **at the end of the year, the impact on growth of the Federal Reserve monetary constraint was a cause for concern in the financial markets;**
- **commercial conflicts and fears of a trade war generated greater uncertainty, with this risk rightly being considered systemic.** The American trade deficit also reached a record 10-year high, reminiscent of the (ill-fated) protectionist measures of the Reagan and Bush administrations.

### PERFORMANCE BY ASSET CLASS

**An examination of asset class performance over the past 40 years proves that 2018 was the worst year: 96% of listed asset classes performed negatively.**

**NB:** 70 listed asset classes: equities (advanced and emerging markets), government bonds (short and long-term), corporate bonds (short and long-term, advanced and emerging markets), etc.



**For the year as a whole, financial market losses were sometimes severe, as shown in the table below. The (almost perfect) symmetry with 2017's year of growth on all markets cannot be ignored:**

| | 2017 | | 2018 | |
|---|---|---|---|---|
| **Equity Markets** | **29/12/2017** | **Perf. 1 yr (%)** | **31/12/2018** | **Perf. 1 yr (%)** |
| CAC 40 | 5312.6 | 8.8% | 4730.7 | (11.0%) |
| MSCI Europe (€. DNR) | 6126.5 | 12.5% | 5,478.0 | (10.6%) |
| S&P 500 | 2673.6 | 19.4% | 2,506.9 | (6.2%) |
| MSCI World | 2,103.4 | 20.0% | 1,883.9 | (10.4%) |
| MSCI emerging markets | 1,158.5 | 34.4% | 965.8 | (16.6%) |
| EuroStoxx | 3,504.0 | 5.9% | 3,001.4 | (14.3%) |
| DAX | 12,917.6 | 11.4% | 10,559.0 | (18.3%) |
| Nikkei 225 | 22,764.9 | 19.1% | 20,014.8 | (12.1%) |
| Dow Jones | 24,719.2 | 25.1% | 23,327.5 | (5.6%) |
| **Exchange rates** | **29/12/2017** | **Perf. 1 yr (%)** | **31/12/2018** | **Perf. 1 yr (%)** |
| EUR/USD | 1.20 | 13.8% | 1.14 | (4.8%) |
| JPY/USD | 112.7 | (3.4%) | 109.7 | (2.6%) |

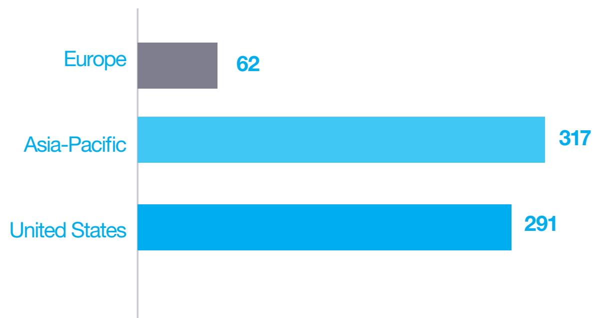
| **Money market interest rates & Government borrowings** | **29/12/2017** | **Year-on-year change in bps** | **31/12/2018** | **Year-on-year change in bps** |
|---|---|---|---|---|
| 3-month Euribor | (0.33) | (1.1) | (0.31) | 2.0 |
| 10-year OAT | 0.66 | (0.6) | 0.71 | 4.5 |
| 10-year Bund | 0.42 | 23.9 | 0.25 | (17.8) |
| 10-year T bonds | 2.41 | (2.1) | 2.69 | 27.5 |
| **10-year variance in Sovereign debt vs Germany** | **29/12/2017** | **Year-on-year change in bps** | **31/12/2018** | **Year-on-year change in bps** |
| Italy | 153 | (2.7) | 252.7 | 99.7 |
| Spain | 114.7 | (1.2) | 117.6 | 2.9 |
| France | 23.7 | (24.5) | 46.4 | 22.3 |
| **Bond Markets** | **29/12/2017** | **Year-on-year change in bps** | **31/12/2018** | **Year-on-year change in bps** |
| JP Morgan EMBI Global Index | 311.0 | (54.4) | 434.6 | 124.0 |
| iBoxx Euro Corporate Index | 226.5 | 5.2 | 223.6 | (2.9) |
| iBoxx Euro High Yield Index | 326.7 | 0.1 | 314.6 | (12.1) |

## 4.2.3 The asset management market in 2018

**Rate increases, trade tensions between the United States and China, return of market volatility, Brexit... Faced with uncertainty, investors have retreated towards less risky, more diversified investments, in the search for decorrelation.**

Inflows by geographic area in 2018 – Worldwide(1)

*In € billion*



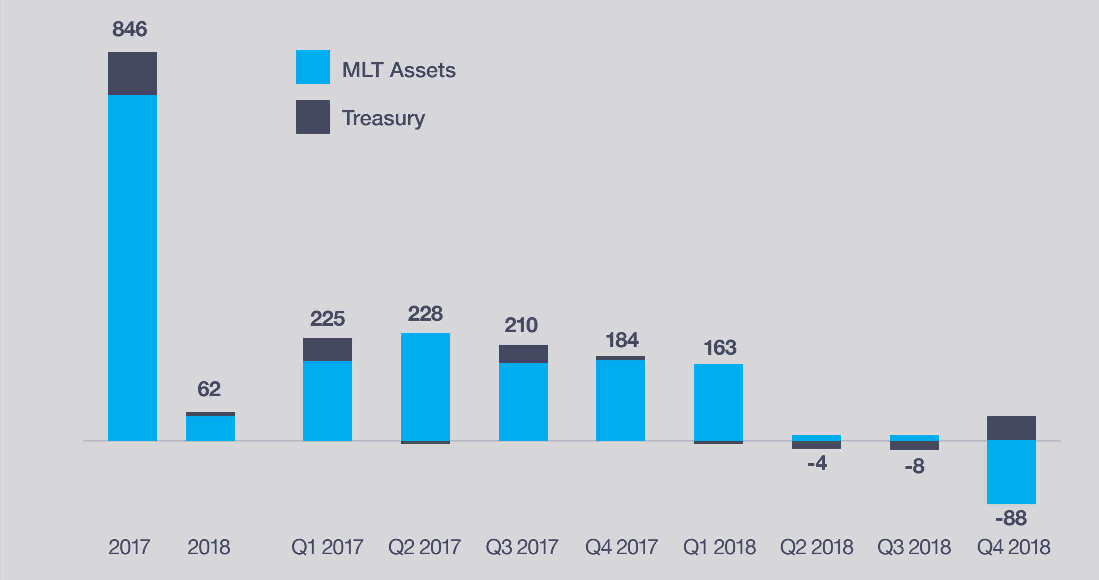

(1) *Sources: Amundi and Broadridge Financial Solutions – FundFile & Deutsche Bank ETF / Open-ended funds (excl. dedicated mandates and funds) at end December 2018.*

### 4.2.3.1 EUROPEAN MARKET

The European market for open-ended funds dropped sharply in 2018: net inflows of €62 billion in 2018, far from 2017's record-breaking figure of €846 billion.

After a good start to the year, net inflows into open-ended funds became negative from the second quarter onwards, with accelerated outflows towards the end of the year.

**Changes in quarterly inflows to European open-ended funds in 2017 and 2018**

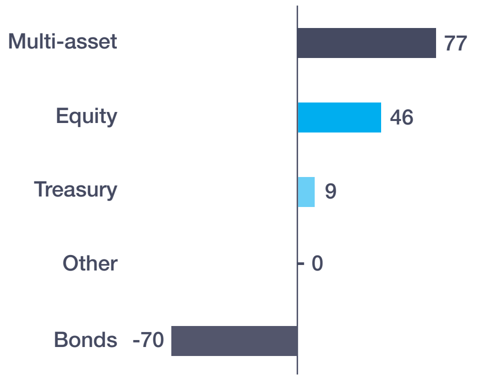



Source: Amundi and Broadridge Financial Solutions - FundFile & Deutsche Bank ETF / Open-ended funds (excl. dedicated mandates and funds) at end December 2018

In this context, it was multi-asset funds (especially those offering flexible, balanced allocations and those delivering regular income) that came out on top (+€77 billion). Equities also remained popular (+€46 billion), particularly funds invested in the US, global and emerging markets, and themed funds. Funds invested in real estate also performed well (+€10 billion). Fixed-income funds, on the other hand, suffered heavy redemptions (-€70 billion), with the exception of a number of non-traditional products such as those providing absolute returns.

**Inflows by asset class in Europe**

*In € billion*



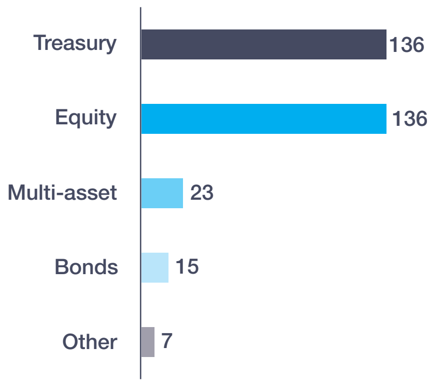

*Others = ABS, derivatives, forex, hedge funds, property, commodities, etc.*

### 4.2.3.2 ASIA PACIFIC MARKETS

In **Asia**, fund net inflows were particularly dynamic: +€317 billion in 2018, albeit lower than in 2017. This is due to the sustained appetite for money market funds (+€136 billion) particularly in China and, to a lesser extent, some interest in equities, especially in Japan, China and India.

**Inflows by asset class in Asia-Pacific**

*In € billion*



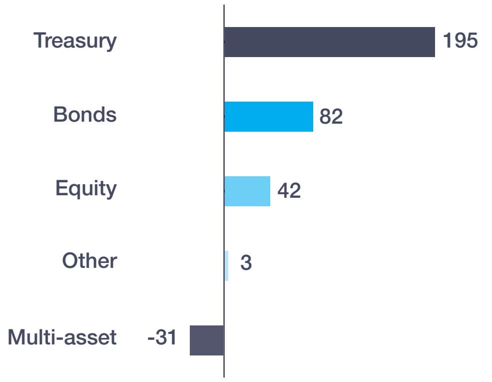

*Others = ABS, derivatives, forex, hedge funds, property, commodities, etc.*

### 4.3.3.3 US MARKET

In the **United States**, net inflows amounted to +€291 billion in 2018, a decline of almost 60% year-on-year. Investors started leaning towards fixed-income products, both money market funds and short term bond funds (+€195 billion and +€77 billion respectively). Global equities (+€69 billion) were more popular than local equities (+€36 billion). Similarly, target-date funds (retirement planning) attracted +€57 billion.

**Inflows by asset class in the United States**

*In € billion*




*Others = ABS, derivatives, forex, hedge funds, property, commodities, etc.*

### 4.2.3.4 PASSIVE AND RESPONSIBLE INVESTMENT EXPERTISES(1)

**Passive management** continued to grow both in relation to equities and interest rates, representing net inflows of +€83 billion in Europe, +€128 billion in Asia and +€372 billion in the United States.

**Socially Responsible and Sustainable Investments** (SRI/ESG) continued to expand worldwide (+€54 billion), across all asset classes and all client segments.

*(1) These have been included in the data by geographic area.*

# 4.3 AMUNDI OPERATIONS AND RESULTS

**In 2018, Amundi recorded further growth in its income: accounting net income was 25.5% higher than for 2017. Adjusted net income[1] stood at €946 million, +3.1% against 2017[2], and +9% against 2017 excluding extraordinary financial revenue[3].**

These results are even more remarkable given the deteriorating market environment from Q2 2018 onwards. In 2018, the majority of listed asset classes declined and volatility was high. This led to an increased aversion to risk, particularly among Retail clients. This had a negative impact on inflows and on performance fees. The increase in income reflects on the one hand, a high level of activity, and on the other, the successful consolidation of Pioneer, enabling the Group to reassess its synergies (€175 million instead of the €150 million originally forecast).

**These strong results are in line with the objectives set out in the 3-year plan and are testament to the robustness of Amundi's business model.**

## 4.3.1 Operations: Assets under management and combined net inflows

It should be noted that all data on assets under management (AuM) and net inflows in this document are combined for 2017; they include advised and marketed assets and 100% of the managed assets and the inflows of the Asian joint ventures; for Wafa in Morocco, assets under management are shown at their proportional share.

| *In € billion* | Total excl. joint ventures | Annual change *(in %)* | Joint Ventures | Annual change *(in %)* | TOTAL | Annual change *(in %)* |
|---|---|---|---|---|---|---|
| **Combined assets under management at 31 December 2017 (Amundi & Pioneer)** | **1,309** | **/** | **118** | **/** | **1,426** | **/** |
| Net inflows | +15.7 | / | +26.3 | / | +42.0 | / |
| Market and currency effect | (41.4) | / | (1.6) | / | (43.0) | / |
| **ASSETS UNDER MANAGEMENT AT 31 DECEMBER 2018** | **1,283** | **(2.0%)** | **142** | **+2.1%** | **1,425** | **(0.1%)** |

**Net inflows remained high in 2018 (+€42 billion), notably driven by medium to long-term assets[4] (+€36.3 billion) and Retail (+€30.7 billion[5]). Taking account of a negative market effect (-€43 billion), particularly at the end of the year, assets under management totalled €1,425 billion at 31 December 2018, stable over the 12 months.**

The quarterly profile of net inflows was notably atypical, with the majority of deposits taken early in the year: Q1: +€39.8 bn, Q2: +€2.6 bn, Q3: +€6.1 bn, Q4: -€6.5 bn.

These changes are consistent with the declining European asset management market[6] (+€62 billion in 2018 against +€846 billion in 2017) with accelerated net outflows at the end of the year.

*(1) Excluding Pioneer consolidation costs and amortisation of distribution agreements.*
*(2) Comparison with 2017 combined data: 12 months Amundi +12 months Pioneer.*
*(3) Growth rate calculated using normalised adjusted and combined 2017 net income, excluding extraordinary financial income.*
*(4) Excluding treasury.*
*(5) Including the reinternalisation of assets by Fineco for -€6.5 billion during Q3 2018.*
*(6) Source: Broadridge Financial Solutions – FundFile / Open-ended funds (excl. dedicated mandates and funds at end-December 2018.*

**Combined assets under management and combined net inflows by client segment**

| *In € billions* | AuM 31/12/2018 | AuM 31/12/2017 | % Change | Net inflows 2018 | Net inflows 2017 |
|---|---|---|---|---|---|
| French networks[1] | 104 | 107 | (3.4%) | +2.9 | +4.0 |
| International networks | 116 | 119 | (2.3%) | +4.6 | +10.2 |
| JV | 142 | 118 | +21.0% | +26.3 | +17.8 |
| Third-party distributors | 170 | 181 | (5.7%) | (3.1) | +17.6 |
| ***Retail*** | **532** | **524** | **+1.5%** | **+30.7** | **+49.6** |
| Institutional[2] & Sovereign investors | 354 | 354 | 0% | +12.5 | +10.8 |
| Corporates | 67 | 72 | (7.1%) | (3.6) | +6.9 |
| Employee Savings | 54 | 56 | (3.6%) | +2.7 | +1.0 |
| CA and SG insurers | 417 | 419 | (0.4%) | (0.3) | +2.3 |
| **Institutional investors** | **893** | **902** | **(1.0%)** | **+11.4** | **+21.0** |
| **TOTAL** | **1,425** | **1,426** | **(0.1%)** | **+42.0** | **+70.6** |
| **Total excl. JV** | **1,283** | **1,309** | **(2.0%)** | **+15.7** | **+52.8** |

*(1) French networks: net inflows on medium to long-term assets of +€4.1 billion in 2018.*
*(2) Including funds of funds.*

Retail segment AuM increased marginally (+1.5%) between 2017 and 2018, from €524 billion to €532 billion. This increase is due to a sustained net inflow of +€30.7 billion, offset by a negative market effect.

Institutional investor AuM, however, fell by 1.0% from €902 billion to €893 billion.

### Analysis of Retail assets under management and net inflows

**The Retail segment once again posted high levels of inflows (+€30.7 billion*) but slowed down significantly at the end of the year in a general context of rising risk aversion in Europe. Highlights of the year:**

- very dynamic net inflows in **Asian joint ventures** (particularly in China and India), for which AuM reached €142 billion at the end of 2018;
- resilient net inflows in the **French Networks**, mainly in MLT assets (unit-linked and discretionary management);
- in the **International Networks**, net inflows remained positive, especially in Italy (+€4.3 billion with discretionary management and unit-linked investments), thanks to the partnership with UniCredit;
- a more marked downturn for **Third-party Distributors**, for which inflows remained positive in 2018 (excluding the reinternalisation of assets by Fineco for -€6.5 billion in Q3 2018). However, this sector was affected at the end of the year by growing risk aversion.

### Analysis of Institutional assets under management and net inflows

**The Institutional and Corporate Investors segment had a good year in terms of inflows (+11 billion), despite a difficult end to the year. Highlights of the year:**

- **institutional and Sovereign investors:** a good level of net annual inflows (predominantly in MLT products), despite the end of two mandates (-€6 billion) at the end of the year;
- **corporates:** liquidity outflows (mainly in Q2) but a good level of activity in terms of MLT assets (especially in Corporate pension funds);
- **employee Savings:** 2018 was a really good year (net inflows of +€2.7 billion, versus +€1 billion in 2017), confirming the growth potential of this business line (reinforced by the consequences of the Loi Pacte in France).

## 4.3.1.1 COMBINED ASSETS UNDER MANAGEMENT AND NET INFLOWS BY ASSET CLASS

| *In € billions* | AuM 31/12/2018 | AuM 31/12/2017 | % Change | Net inflows 2018 | Net inflows 2017 |
|---|---|---|---|---|---|
| Equity | 224 | 232 | (3.6%) | +13.4 | +10.7 |
| Multi-asset | 251 | 256 | (1.9%) | +10.1[1] | +18.9 |
| Bonds | 648 | 646 | +0.3% | +7.0 | +3.8[2] |
| Real, Alternative and Structured | 75 | 70 | +6.7% | +5.9 | +2.8 |
| **MLT Assets (Medium to Long Term)** | **1,197** | **1,203** | **(0.5%)** | **+36.3** | **+36.2** |
| Treasury | 228 | 223 | +2.5% | +5.7 | +34.4 |
| **TOTAL** | **1,425** | **1,426** | **(0.1%)** | **+42.0** | **+70.6** |

*(1) Including reinternalisation of a management mandate by Fineco in Q3 2018 (-€6.5 billion).*
*(2) Including reinternalisation of a management mandate by the ECB in Q1 2017 (-€6.9 billion).*

* *Including the reinternalisation of assets by Fineco for -€6.5 billion during Q3 2018.*

Net inflows for 2018 were mainly driven by medium to long-term assets (MLT).

These **medium to long-term assets**, at €1,197 billion, represented 84% of total assets under management. This is 0.5% less than at the end of 2017, the strong net inflows over the year (+€36.3 billion) being offset by the negative market effects. Fineco's reinternalisation of assets during Q3 2018, for -€6.5 billion should also be noted.

**All asset classes contributed to net inflows in 2018**. Medium to long-term assets amounted to +€36.3 billion (+€42.8 billion excluding the reinternalisation of Fineco's mandate) and Treasury activity was lower this year.

**There was particularly dynamic momentum in the growth engines implemented a few years ago:**

- **passive management and smart beta**[1]: another year of positive results, with net inflows of +€14 billion in 2018, taking AuM to €95 billion at the end of 2018; 5.6% higher than at the end of 2017:
  - ETF: net inflows in 2018 of +€3.8 billion (4th highest in Europe[2]), taking AuM to €38.6 billion at the end of 2018 (4th best in Europe)[2];
- **real and alternative assets**[1]: continued growth with net inflows rising to +€3.5 billion in 2018 (+€2.3 billion in 2017), notably in Real Estate, Private Debt and Private Equity.

### 4.3.1.2 COMBINED ASSETS UNDER MANAGEMENT AND NET INFLOWS BY GEOGRAPHIC AREA

| | AuM | | | Net inflows | |
|---|---|---|---|---|---|
| *In € billions* | 31/12/2018 | 31/12/2017 | % Change | 2018 | 2017 |
| France | 812[1] | 841[1] | (3.4%) | (2.9) | +19.3 |
| Italy | 167 | 175 | (4.2%) | +1.6 | +10.3 |
| Europe excluding France and Italy | 161 | 150 | +7.2% | +15.5 | +12.7 |
| Asia | 200 | 177 | +12.8% | +26.8 | +23.6 |
| Rest of World | 85 | 83 | +1.4% | +0.9 | +4.7 |
| **TOTAL** | **1,425** | **1,426** | **(0.1%)** | **+42.0** | **+70.6** |
| **TOTAL International** | **613** | **585** | **+4.6%** | **+44.9** | **+51.3** |

*(1) Of which €402 billion for Group insurers.*

**In 2018, net inflows were driven by all geographic areas except France; international inflows totalled +€44.9 billion**, taking international assets under management to €613 billion, representing 43% of the Group's total AuM (and 59% of AuM excluding CA and SG insurers). Activity in Asian joint ventures was dynamic (particularly in China and India) as well as in Hong Kong and Taiwan. Activity in Italy remained robust (+€8.2 billion[3]), as it did in the rest of Europe (Germany and the Netherlands in particular).

France reported a high level of MLT asset business (+€9.5 billion in 2018), offset by liquidity outflows in Corporate.

*(1) Excluding joint ventures.*
*(2) Source: DB ETF Monthly Review & Outlook, end December 2018.*
*(3) Excluding the reinternalisation of assets by Fineco for -€6.5 billion during Q3 2018.*

## 4.3.2 Income statement

### Income statement[1]

| *In € millions* | 2018 | 2017 | 2018 vs. 2017 |
|---|---|---|---|
| **Adjusted net revenue (a)[2]** | **2,582** | **2,301** | **(12.2%)** |
| Of which net asset management revenues | 2,606 | 2,204 | +18.2% |
| Of which net management fees | 2,491 | 2,029 | +22.8% |
| Of which performance fees | 115 | 175 | (34.5%) |
| Of which net financial income and other net income[2] | (24) | 97 | NS |
| **Adjusted operating expenses(b)[3]** | **(1,331)** | **(1,173)** | **+13.4%** |
| **Adjusted gross operating income[2] [3]** | **1,251** | **1,128** | **+10.9%** |
| *Adjusted cost-to-income ratio (b)/(a)* | *51.5%* | *51%* | *(0.5 pt)* |
| Cost of risk and other | (11) | (15) | (22.1%) |
| Share of net income of equity-accounted entities | 50 | 33 | +50.2% |
| **Adjusted pre-tax income[2] [3]** | **1,289** | **1,146** | **+12.5%** |
| Income tax charge[2] [3] | (343) | (347) | (1.1%) |
| **Adjusted net income Group share[2] [3]** | **946** | **800** | **+18.4%** |
| Amortisation of distribution agreements net of tax | (50) | (30) | +63.3% |
| Pioneer consolidation costs, net of tax | (42) | (88) | (52.5%) |
| **Net income, Group share** | **855** | **681** | **+25.5%** |
| Net accounting earnings per share *(in €)* | 4.24 | 3.54 | +19.8% |
| Adjusted earnings per share *(in €)* | 4.69 | 4.16 | +12.7% |

*(1) Restatement of accounting net revenues for amortisation of distribution agreements (UniCredit as from 1 July 2017, SG and Bawag in 2017 and 2018), and restatement of accounting operating expenses in 2017 and 2018 for Pioneer integration costs. Both these factors are shown net of tax in the table above.*
*(2) Excluding amortisation of distribution agreements.*
*(3) Excluding Pioneer integration costs.*

**Net income[1] for the 2018 fiscal year rose sharply, benefiting both from Pioneer's contribution (consolidated during H2 2017) and strong growth:** accounting net income Group share climbed to €855 million, an increase of +25.5% on 2017.

Accounting earnings per share stood at €4.24, an impressive 19.8% rise on 2017.

Adjusted **net Earnings per Share** (excluding integration costs and amortisation of distribution agreements) were €4.69, up 12.7% on 2017.

*(1) Accounting income includes the amortisation of distribution agreements and Pioneer consolidation costs. In 2017, Pioneer was consolidated for only 6 months.*

### Combined income statement[1]

| *In € millions* | 2018 | 2017 | 2018 vs. 2017 |
|---|---|---|---|
| **Combined adjusted net revenues (a)[2]** | **2,582** | **2,722** | **(5.2)%** |
| Of which net asset management revenues | 2,606 | 2,625 | (0.7)% |
| Of which net management fees | 2,491 | 2,445 | +1.9% |
| Of which performance fees | 115 | 180 | (36.3)% |
| Net financial income and other net income[2] | (24) | 97 | NS |
| **Combined adjusted operating expenses[3] (b)** | **(1,331)** | **(1,428)** | **(6.8)%** |
| **Combined adjusted gross operating income[2] [3]** | **1,251** | **1,295** | **(3.4)%** |
| *Combined adjusted cost-to-income ratio[2] [3] (b)/(a)* | *51.5%* | *52.4%* | *(0.9 pt)* |
| Cost of risk and other | (11) | (16) | (30.6)% |
| Share of net income of equity-accounted entities | 50 | 33 | +50.2% |
| **Combined adjusted pre-tax income[2] [3]** | **1,289** | **1,311** | **+1.7%** |
| Combined adjusted income tax[2] [3] | (343) | (393) | (12.7)% |
| **Combined adjusted net income Group share[2] [3]** | **946** | **918** | **+3.1%** |
| Amortisation of distribution agreements net of tax | (50) | (30) | 63.3% |
| Pioneer consolidation costs, net of tax | (42) | (88) | (52.5)% |
| **Combined net income Group share** | **855** | **800** | **+6.9%** |

*(1) Combined net income: figures for 2017 correspond to the sum of 12 months Amundi activity plus 12 months Pioneer activity, with a normalised net income in the first half of the year.*
*Adjustments: restatement of accounting net revenues for amortisation of distribution agreements (UniCredit as from 1 July 2017, SG and Bawag in 2017 and 2018), and restatement of accounting operating expenses in 2017 and 2018 for Pioneer integration costs. Both these factors are shown net of tax in the table above.*
*(2) Excluding amortisation of distribution agreements.*
*(3) Excluding Pioneer integration costs.*

**Adjusted net income**[1], which gives a clear view of the Group's performance on a comparable scope, **rose to €946 million, notably owing to lower operating expenses, associated with cost synergies related to Pioneer:**

- **net revenues**[2] remained resilient at €2,582 million (-5.2% compared with 2017[3]). This contraction is the result of an unfavourable comparison effect with 2017 during which exceptionally high levels of performance fees and financial income were generated (related to disposals of interests ahead of the Pioneer acquisition and a favourable market environment). Net asset management revenues were essentially stable: the increase in net management fees (+1.9%[3]) was offset by lower performance fees. In addition, the negative market environment, especially at the end of the year, impacted financial income (mark-to-market valuation). The average margin[4] on AuM was stable, at 18.8 bps of AuM;
- **operating expenses**[5] fell substantially (-6.8%[3]), thanks to the rapid execution of Pioneer-related cost synergies (€110 million in 2018), despite the additional external research costs linked to MiFID II and the first expansion reinvestments;
- as a result, the **cost-to-income ratio**[1] was **51.5%, having improved by 0.9 pt**[3];
- the share in net income of equity-accounted entities (mainly Asian joint ventures) rose significantly to €50 million (+50% compared with 2017[3]);
- in light of a lower tax rate, notably due to the fiscal reform in the United States, **adjusted net income Group share totalled €946 million, a 3.1% increase against 2017**[3] **and +9% against 2017 excluding extraordinary financial revenues**[6].

*(1) Excluding Pioneer integration costs and amortisation of distribution agreements.*
*(2) Excluding amortisation of UniCredit, SG and Bawag distribution agreements.*
*(3) Comparison with 2017 combined data: 12 months Amundi +12 months Pioneer.*
*(4) Average margin: net asset management revenues (excl. performance fees / average AuM excl. JVs.*
*(5) Excluding Pioneer integration costs.*
*(6) Growth rate calculated using adjusted and combined 2017 net income, excluding extraordinary financial income.*

## 4.3.2.1 COMBINED ADJUSTED NET REVENUES

| *In € millions* | 2018 | 2017 | 2018 *vs.* 2017 |
|---|---|---|---|
| Net asset management revenues | 2,606 | 2,625 | (0.7%) |
| Net financial income and other net income | (24) | 97 | (36.3%) |
| **COMBINED ADJUSTED NET REVENUE[(1)]** | **2,582** | **2,722** | **(5.2%)** |

*(1) Excluding amortisation of distribution agreements.*

**Combined adjusted net revenue** held up well, standing at €2,582 million for 2018, a decrease of 5.2% compared with 2017, a highly successful year. This development can be explained by the minor decrease of 0.7% in net asset management revenue and a more marked decline in financial revenue, owing on the one hand to the negative effect when compared with 2017, but also to unfavourable market conditions which affected net financial income (mark-to-market effect of IFRS 9).

### Combined net asset management revenue

| *In € millions* | 2018 | 2017 | 2018 *vs.* 2017 |
|---|---|---|---|
| Net management fees | 2,491 | 2,445 | +1.9% |
| Performance fees | 115 | 180 | (36.3%) |
| **COMBINED NET ASSET MANAGEMENT REVENUE** | **2,606** | **2,625** | **(0.7%)** |

**Net management fees** rose by 1.9%, in line with the growth in assets under management (excluding equity-accounted joint ventures).

Following an impressive 2017, **performance fees** totalled €115 million. This decline is due to unfavourable market conditions in 2018 (particularly equity markets; the CAC 40 fell by 11%). Performance fees represented 4% of total net asset management revenues.

### Combined net fee and commission income and margins by client segment

| *In € millions* | 2018 | 2017 | 2018 *vs.* 2017 |
|---|---|---|---|
| ***Retail*** | | | |
| Net management fees | 1,832 | 1,786 | +2.6% |
| *Margin* | *44.8 bps* | *46.0 bps* | *(1.2 bps)* |
| **Institutional excluding CA and SG Insurers** | | | |
| Net management fees | 518 | 521 | (0.6%) |
| *Margin* | *10.4 bps* | *10.9 bps* | *(0.5 bps)* |
| **CA and SG insurers** | | | |
| Net management fees | 141 | 139 | +1.5% |
| *Margin* | *3.4 bps* | *3.4 bps* | = |
| **TOTAL NET MANAGEMENT FEES** | **2,491** | **2,445** | **+1.9%** |
| Average AuM excl. JV in € millions | 1,327 | 1,279 | +3.7% |
| ***Margin on average assets excluding JV*** | ***18.8 bps*** | ***19.1 bps*** | ***(0.3 bps)*** |

In 2018, combined net fees rose by +1.9% against 2017. The average margin was stable, declining only 0.3 bps.

Breakdown by segment:

- net fees in the **Retail segment** rose by 2.6% against 2017, mainly thanks to the rise in assets under management. Despite this, the net margin was lower than the previous year;
- net fees from **Institutional clients** excluding CA and SG insurers were fairly stable, at -0.6% compared with 2017; continuing the 2016 trend, institutional margins again declined slightly in 2018;
- net fees in the CA and SG **Insurers** segment edged up by 1.5% on 2017; margins were unchanged.

### Combined performance fees by asset class

| *In € millions* | 2018 | 2017 | 2018 *vs.* 2017 |
|---|---|---|---|
| Fixed Income (including Treasury) | 64 | 125 | (48.8%) |
| Other asset classes (equities, multi-asset, etc.) | 51 | 55 | (7.3%) |
| **TOTAL** | **115** | **180** | **(36.3%)** |

**Combined performance fees** were lower than in 2017, due to considerably less favourable market conditions across all asset classes (equities, bonds, etc.). In fact, 2018 was like no other year since 2008. All listed asset classes performed negatively.

### Combined adjusted operating expenses

| *In € millions* | 2018 | 2017 | 2018 *vs.* 2017 |
|---|---|---|---|
| Employee expenses | (854) | (954) | (10.4%) |
| Other expenses | (476) | (474) | +0.5% |
| **COMBINED ADJUSTED OPERATING EXPENSE** | **(1,331)** | **(1,428)** | **(6.8%)** |

**Amundi maintained good control over its adjusted operating expenses in 2018**, which fell 6.8% compared with 2017, due to the rapid execution of Pioneer-related cost synergies (mainly affecting employee expenses), despite additional external research costs linked to MiFID II, on the one hand, and the first expansion reinvestments, on the other.

The Pioneer synergies represented €110 million in 2018, *i.e.* 63% of total targeted synergies, ahead of the initial schedule.

General operating expenses made up only 10 basis points on average AuM excluding JVs in 2018, compared to 11.2 bp in 2017. This ratio is one of the lowest in the industry.

## 4.3.2.2 COMBINED ADJUSTED GROSS OPERATING INCOME AND COST-TO-INCOME RATIO

| *In € millions* | 2018 | 2017 | 2018 *vs.* 2017 |
|---|---|---|---|
| Combined adjusted net revenues (a) | 2,582 | 2,722 | (5.2%) |
| Combined adjusted operating expenses (b) | (1,331) | (1,428) | (6.8%) |
| **COMBINED ADJUSTED GROSS OPERATING INCOME** | **1,251** | **1,295** | **(3.4%)** |
| ***Combined adjusted cost-to-income ratio (b)/(a)*** *(in %)* | ***51.5%*** | ***52.4%*** | ***(0.9 pt)*** |

**Combined adjusted gross operating income fell by 3.4% relative to 2017**, and amounted to €1,251 million.

Amundi's operational efficiency improved with an adjusted cost-to-income ratio of 51.5% in 2018, a reduction of 0.9 points. This ratio remains one of the best in the asset management industry.

## 4.3.2.3 OTHER ELEMENTS OF THE COMBINED INCOME STATEMENT

The sum of **cost of risk** and others (-€11 million) is mainly comprised of various provisions for risks.

The **share in net income of equity-accounted entities** jumped to €50 million in 2018, a huge 50% more than in 2017, reflecting a notable improvement in operational efficiency and continued growth in assets under management in Asian joint ventures, particularly in China and India.

After taking account of the **tax expense** of €343 million in 2018 (the result of a significantly lower tax rate compared to 2017, largely due to the effects of the US tax reform), adjusted net income Group share stood at €946 million, **a rise of 3.1%** against 2017 **and +9% against 2017 excluding extraordinary financial revenue**[1].

*(1) Growth rate calculated using adjusted and combined 2017 net income, excluding extraordinary financial income.*

## 4.3.2.4 METHODOLOGICAL NOTES AND ALTERNATIVE PERFORMANCE INDICATORS

### I. Income statement

#### *1. Accounting data*

The 2018 data corresponds to 12 months Amundi activity and 12 months Pioneer activity. The 2017 figures cover 12 months Amundi activity and 6 months Pioneer activity, consolidated as of 1 July 2017.

#### *2. Adjusted data*

The following adjustments were made to present an income statement that is closer to the economic reality:

- 2018: restatement of Pioneer-related integration costs and amortisation of distribution agreements (recognised as a deduction from net revenues) with SG, BAWAG and UniCredit;
- 2017: restatement of Pioneer-related consolidation costs and amortisation of distribution agreements (recognised as a deduction from net revenues) with SG and BAWAG over 12 months and UniCredit over 6 months (the UniCredit contract only came into force in Q3 2017).

#### *3. Combined data*

The combined data differs from the pro forma data (presented in the 2016 Registration Document) which included restatements based on the financing assumptions made during the Pioneer acquisition: higher financial expenses, lower financial income.

**Nota bene on accounting and combined data :**

Pioneer integration costs:

- 2018: €56 million before tax and €42 million after tax;
- 2017: €135 million before tax and €88 million after tax.

Amortisation of distribution agreements:

- 2018: €71 million before tax and €50 million after tax;
- 2017: €44 million before tax and €30 million after tax.

### II. Amortisation of UniCredit distribution agreements

At the time of the Pioneer acquisition, ten-year distribution agreements were entered into with the UniCredit networks in Italy, Germany, Austria and the Czech Republic. The gross value of these agreements was €546 million, recognised on the balance sheet under Intangible assets. A €161 million deferred tax liability was recognised at the same time. The net total was therefore €385 million, amortised on a straight-line basis over ten years starting 1 July 2017.

The full-year impact of this amortisation on the Group income statement was €38 million net of tax (€55 million before tax), booked under "Other income". This is added to the existing amortisation of the distribution agreements with SG and Bawag of €11 million full-year net of tax, or €17 million before tax.

### III. Alternative Performance Indicators

#### Adjusted net income

To present an income indicator that is closer to the economic reality, Amundi publishes Adjusted net income reconciled with the Accounting net income, Group share, as follows:

| *In € millions* | 12M 2018 Actual | 12M 2017 Reported "Combined" | 12M 2017 Reported "Accounting" |
|---|---|---|---|
| **Net revenue (a)** | **2,510** | **2,678** | **2,257** |
| + Amortisation of distribution contracts before tax | 71 | 44 | 44 |
| **Adjusted net revenue (b)** | **2,582** | **2,722** | **2,301** |
| **Operating expenses (c)** | **(1,387)** | **(1,563)** | **(1,309)** |
| + Pioneer integration costs before tax | 56 | 135 | 135 |
| **Adjusted operating expenses (d)** | **(1,331)** | **(1,428)** | **(1,173)** |
| **Gross operating income (e) = (a)+(c)** | **1,123** | **1,115** | **949** |
| **ADJUSTED GROSS OPERATING INCOME (F) = (B)+(D)** | **1,251** | **1,295** | **1,128** |
| *Cost-to-income ratio (c)/(a)* | *55.3%* | *58.4%* | *58.0%* |
| *Adjusted cost-to-income ratio (d)/(b)* | *51.5%* | *52.4%* | *51.0%* |
| Cost of risk & Others (g) | (11) | (16) | (15) |
| Equity-accounted entities (h) | 50 | 33 | 33 |
| **Pre-tax income (i) = (e)+(g)+(h)** | **1,162** | **1,132** | **967** |
| **ADJUSTED PRE-TAX INCOME (J) = (F)+(G)+(H)** | **1,289** | **1,311** | **1,146** |
| *Income tax (k)* | *(307)* | *(332)* | *(286)* |
| *Adjusted income tax (l)* | *(343)* | *(393)* | *(347)* |
| **NET INCOME GROUP SHARE (I)+(K)** | **855** | **800** | **681** |
| **Adjusted net income Group share (j)+(l)** | **946** | **918** | **800** |
| **Accounting EPS** *(in €)* | **4.24** | | **3.54** |

### 4.3.3 Dividend policy

The Board of Directors will propose to the General meeting of 16 May 2019, **a cash dividend of €2.90 per share**. This equates to a 65.3% payout of net income Group share (excluding Pioneer consolidation costs and based on the number of shares outstanding at end-2018), and a 6.3% return on the last share price at 31 December 2018.

The ex-dividend date will be 24 May 2019. Payment will be as from 28 May 2019.

# 4.4 BALANCE SHEET AND FINANCIAL STRUCTURE

## 4.4.1 Amundi consolidated balance sheet

### ASSETS

| *In € millions* | 31/12/2018 | 01/01/2018 | Change |
|---|---|---|---|
| Cash, central banks | 0 | 0 | NA |
| Derivative instruments | 2,456 | 2,661 | (7.7%) |
| Financial assets at fair value through profit or loss | 7,995 | 5,769 | 38.6% |
| Financial assets at fair value through equity | 486 | 412 | 18.0% |
| Financial assets at amortised cost | 1,005 | 1,118 | (10.1%) |
| Current and deferred tax assets | 194 | 202 | (4.0%) |
| Accruals, prepayments and sundry assets | 2,254 | 2,134 | 5.6% |
| Investments in equity-accounted entities | 264 | 181 | 45.9% |
| Property, plant and equipment | 43 | 45 | (4.4%) |
| Intangible assets | 544 | 623 | (12.7%) |
| Goodwill | 5,696 | 5,674 | 0.4% |
| **TOTAL ASSETS** | **20,937** | **18,818** | **11.3%** |

### EQUITY AND LIABILITIES

| *In € millions* | 31/12/2018 | 01/01/2018 | Change |
|---|---|---|---|
| Derivative instruments | 2,681 | 2,647 | 1.3% |
| Financial liabilities designated at fair value through profit and loss | 5,532 | 3,773 | 46.6% |
| Financial liabilities at amortised cost | 1,314 | 603 | 117.9% |
| Current and deferred tax liabilities | 281 | 288 | (2.4%) |
| Accruals, deferred income and sundry liabilities | 2,088 | 2,774 | (24.7%) |
| Provisions | 209 | 228 | (8.3%) |
| Subordinated debt | 304 | 304 | = |
| Equity, Group share | 8,528 | 8,200 | 4.0% |
| ▪ Share capital and reserves | 2,947 | 2,977 | (1.0%) |
| ▪ Consolidated reserves | 4,779 | 4,573 | 4.5% |
| ▪ Unrealised or deferred gains or losses | (53) | (31) | NA |
| ▪ Net income, Group share | 855 | 681 | 25.6% |
| Non-controlling interests | 0 | 0 | NA |
| **TOTAL EQUITY AND LIABILITIES** | **20,937** | **18,818** | **11.3%** |

### 4.4.1.1 CHANGES TO THE BALANCE SHEET IN 2018

**At 31 December 2018, the balance sheet total was €20.9 billion, compared with €18.8 billion at 31 December 2017 and 1 January 2018 upon first application of IFRS 9.**

The impact of first application of IFRS 9 on the consolidated balance sheet is not material and is detailed in note 6.2.7 to the consolidated financial statements.

This increase is due to an increase in the assets and liabilities designated at fair value through profit or loss associated with the EMTN issues for Retail customers for €1.8 billion.

**Derivatives (assets)** represented €2,456 million at 31 December 2018 (vs. €2,661 million at 1 January 2018), a decrease of 7.7% over the year.

This amount mainly represents the following items:

- the positive fair value of performance swaps recognised on the Amundi Finance balance sheet. This subsidiary acts as the counterparty for structured funds and writes a hedging symmetrical contract with a market counterparty; as result, the performance swaps outstanding recorded as assets appear in equal amounts as liabilities on the Group balance sheet. Netted out, these transaction create no market risk;
- the positive fair value of interest rate and performance swaps entered into as part of structured EMTN issues.

**Derivatives (liabilities)** represented €2,681 million at 31 December 2018 (vs. €2,647 million at 1 January 2018), an increase of 1.3% over the year.

These amounts represent the negative fair value of derivative instruments written as part of the structured funds or EMTN funds business and match the corresponding asset, as described above.

**Financial assets designated at fair value through profit and loss** showed balances of €7,995 million at 31 December 2017, versus €5,769 million at 1 January 2018, an increase of 38.6%. They mostly comprised:

- assets backing EMTN issues (measured symmetrically at optional fair value through profit and loss), in the amount of €5,776 million at 31 December 2018 versus €3,802 million at 1 January 2018, an increase of 51.9% related to the growth of the business. These hedging assets are: bonds issued by Crédit Agricole S.A. and fund units held by Amundi Finance Émissions, and term deposits placed by LCL Émissions at LCL;
- investments in seed money (€355 million at 31 December 2018, versus €347 million at 1 January, an increase of 2.3%);
- voluntary investments (€1,768 million at 31 December 2018, versus €1,528 million at 1 January 2018, an increase of 15.7%). The main development over the year consisted in the reallocation of monetary assets to fixed-income underlyings, particularly long-term treasury bonds;
- non-consolidated equity holdings, excluding those measured at fair value through equity not recyclable through profit and loss, for €98 million at 31 December 2018, compared with €93 million at 1 January 2018.

**Financial liabilities designated at fair value through profit and loss** in the amount of €5,532 million at 31 December 2018, versus €3,773 million at 1 January 2018, an increase of 46.6%, represented the fair value of the structured EMTNs issued by the Group as part of the broadening of its range of solutions for Retail customers.

**Financial assets designated at fair value through equity** showed balances of €486 million at 31 December 2018, versus €412 million at 1 January 2018, an increase of 18%. This item presents non-consolidated equity holdings recognised at fair value through equity non recyclable through profit and loss in the amount of €189 million at 31 December 2018, compared with €245 million at 1 January 2018, as well as government securities (€294 million at 31 December 2018, versus €164 million at 1 January 2018, an increase of 79.3%), held under the EMIR regulation to underwrite derivative positions.

**Financial assets at amortised cost are made up of loans and receivables due from credit institutions** and totalled €1,005 million at 31 December 2018, compared with €1,118 million at 1 January 2018, a decrease of 10.1%. At 31 December 2018, it broke down into €974 million of short-term deposits and cash and €31 million of medium to long-term loans (due 2022).

**Liabilities at amortised cost are made up of borrowings from credit institutions** and totalled €1,314 million at 31 December 2018, compared with €603 million at 1 January 2018. The increase is linked to the collateral refinancing which moved from a "net borrowing position" to a "net lending position" vis-à-vis counterparties, the setting up of structural currency hedging transactions and the financing of government securities purchased under the EMIR regulation. At 31 December 2018, amounts due to credit institutions were made up of short-term loans totalling €1,038 million and medium to long-term loans totalling €276 million, mainly with the Crédit Agricole Group.

**Subordinated debt**, which totalled €304 million at 31 December 2018, comprised subordinated debt subscribed with Crédit Agricole S.A. as part of the financing of the acquisition of Pioneer subsidiaries. This subordinated debt is due in 2027.

**Accruals, prepayments and sundry assets** stood at €2,254 million at 31 December 2018, against €2,134 million at 1 January 2018, an increase of 5.6%. This item includes collateral given in connection with Amundi's swaps brokerage business of €1,057 million (versus €854 million at 1 January 2018) and other accruals, prepayments and sundry assets of €1,197 million (versus €1,280 million at 1 January 2018), mainly in accrued management fees.

**Accruals, prepayments and sundry liabilities** stood at €2,088 million at 31 December 2018, against €2,774 million at 1 January 2018, a decrease of 24.7%. This item includes collateral received in connection with the brokerage business of €465 million (versus €1,041 million at 1 January 2018) and other accruals, deferred income and sundry liabilities of €1,622 million (versus €1,733 million at 1 January 2018), mainly in accrued commissions payable to distributors.

**Intangible assets** totalled €544 million at 31 December 2018, against €623 million at 1 January 2018. This decrease mainly reflected the amortised value of UniCredit distribution agreements recognised upon acquisition of the Pioneer Group subsidiaries.

**Goodwill** totalled €5,694 million at 31 December 2018, versus €5,674 million at 1 January 2018. This change was due to the impact of converting foreign currency goodwill.

Goodwill includes the following principal items:

- €378 million of goodwill recognised upon the transfer by Crédit Agricole Indosuez of its asset management business in December 2003;
- €1,733 million of goodwill assigned in 2004 to asset management upon the acquisition of Crédit Lyonnais by Crédit Agricole S.A.;
- €708 million of goodwill from the contribution of Société Générale's asset management business to Amundi S.A. in December 2009;

- €2,537 million of goodwill arising from the acquisition of Pioneer Group subsidiaries on 3 July 2017.

**Provisions** totalled €209 million at 31 December 2018, compared with €228 million at 1 January 2018.

**The Group's shareholders' equity** including earnings for the period ended 31 December 2018, were €8,528 million versus €8,200 million at 31 December 2016, up +4.0%. The net positive change of +€328 million largely corresponds to the net effect of the following items:

- Amundi dividends declared for 2016 in the amount of €504 million;
- net income for the period of +€855 million;
- change in "gains and losses recognised directly in equity" for -€22 million.

### 4.4.1.2 INVESTMENT PORTFOLIO

In summary, the breakdown of the investment portfolio between seed money and voluntary investments by asset class over the last two years is as follows:

| 31/12/2018<br>*In € millions* | Asset classes<br>Money market | <br>Bonds* | <br>Equities and Multi-asset | <br>Other | <br>Total |
|---|---|---|---|---|---|
| *Seed money* | 4 | 125 | 169 | 58 | 355 |
| Voluntary investments and other | 594 | 1,375 | 31 | 63 | 2,063 |
| **TOTAL** | **598** | **1,500** | **199** | **121** | **2,418** |

* *Including €294 million of Emir OAT in voluntary investments.*

| 31/12/2017<br>*In € millions* | Asset classes<br>Money market | <br>Bonds* | <br>Equities and Multi-asset | <br>Other | <br>Total |
|---|---|---|---|---|---|
| *Seed money* | 3 | 94 | 155 | 95 | 347 |
| Voluntary investments and other | 788 | 814 | 20 | 71 | 1,693 |
| **TOTAL** | **791** | **908** | **175** | **166** | **2,040** |

* *Including €164 million of Emir OAT in voluntary investments.*

## 4.4.2 Off-balance sheet items

The Group's material off-balance sheet commitments are:

- commitments related to derivative financial instruments, which are measured at their fair value in the balance sheet;
- in commitments given, guarantees granted to certain funds marketed by Amundi;
- in commitments received, the financing guarantee contracted with a banking syndicate.

| | 31/12/18 | 31/12/17 |
|---|---|---|
| Formula funds | 9,260 | 12,030 |
| CPPI | 7,292 | 5,504 |
| Other guaranteed funds | 3,577 | 3,209 |
| **TOTAL** | **20,129** | **20,743** |

Formula funds are intended to deliver a predefined return based on a specified formula.

CPPI funds are intended to provide exposure to the returns of risky assets while offering a guarantee defined at the outset.

The only commitment received was the financing guarantee received under the syndicated multi-currency revolving loan agreement for €1,750 million signed on 23 October 2015 with an international syndicate of lenders.

## 4.4.3 Financial structure

Amundi's total assets amounted to €20.9 billion at 31 December 2018.

In order to analyse the Group's financial position from an economic standpoint, Amundi also presents a condensed statement of financial position aggregating certain items to show the effects of netting.

**This economic presentation of the balance sheet results in total assets of €9.2 billion after aggregation and netting:**

### ECONOMIC ASSETS

| *In € millions* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Property, plant and equipment | 43 | 44 |
| Investments in equity-accounted entities | 264 | 181 |
| Investment portfolio (incl. Emir OAT) and non-consolidated equity holdings | 2,705 | 2,378 |
| ▪ investments | 2,418 | 2,040 |
| ▪ non-consolidated equity holdings | 287 | 338 |
| Cash collateral | 592 | / |
| Assets representing structured EMTNs | 5,551 | 3,816 |
| Cash position net of short-term debts | / | 771 |
| **TOTAL ECONOMIC ASSETS** | **9,155** | **7,190** |

### ECONOMIC EQUITY AND LIABILITIES

| *In € millions* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Equity net of goodwill and intangible assets | 2,288 | 1,906 |
| Provisions | 209 | 226 |
| Subordinated debt | 304 | 304 |
| Long-term senior debt | 276 | 345 |
| Net short-term debt | 100 | / |
| Structured EMTN issues | 5,532 | 3,773 |
| Accruals & others | 446 | 449 |
| Cash collateral | / | 187 |
| **TOTAL ECONOMIC EQUITY AND LIABILITIES** | **9,155** | **7,190** |

As illustrated in the table above, Amundi benefits from a strong financial structure:

- **a high level of tangible equity; €2.3 billion compared with €1.9 billion at end 2017, representing an increase of almost 20%** and a CET1 ratio of 13.2% at end 2018, considerably higher than regulatory requirements including an increase of non-financial operational risk-weighted assets, with a view to ensuring compliance with Basel IV;

| *In € millions* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Equity, Group share | 8,528 | 8,203 |
| Non-controlling interests | 0 | 0 |
| Goodwill | (5,695) | (5,674) |
| Intangible assets | (544) | (623) |
| **Tangible equity Group share** | **2,288** | **1,906** |
| Dividends | (584) | (504) |
| Prudential filters | (264) | (220) |
| **Common Equity Tier 1** | **1,440** | **1,182** |
| Risk weighted assets | 10,949 | 9,561 |
| **CET1 ratio** | **13.2%** | **12.4%(1)** |

*(1) Phased-in. 11.9% under fully loaded Basel III.*

- **very modest long-term debt;**
- **a €2 billion investment portfolio** including €355 million in seed money. The rest is mostly invested in Amundi's cash and fixed-income funds, partly to ensure the compliance of its LCR ratio, which at 211% at end-2018 was also well above the minimum regulatory threshold (see below).

**This financial solidity is further attested by Amundi's A+ rating with stable outlook, which Fitch reaffirmed on 7 June 2017 (taking into account the Pioneer acquisition).**

**At 31 December 2018, Amundi had a net lending position:**

| *In € millions* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| a. Net cash | 924 | 1,003 |
| b. Voluntary investments (excl. *seed money*) in money market funds and short-term bank deposits | 629 | 841 |
| c. Voluntary investments (excl. *seed money*) in fixed-income funds* | 1,081 | 649 |
| **d. Liquidity (a+b+c)** | **2,634** | **2,493** |
| **e. Position net of margin calls on derivatives** | **592** | **(187)** |
| Debited to balance sheet | 1,057 | 854 |
| Credited to balance sheet | 465 | 1,041 |
| f. Short-term debts to credit institutions | 1,024 | 232 |
| g. Current portion (< 1 year) of medium and long-term debts to credit institutions | 69 | 69 |
| **h. Current financial debts to credit institutions (f+g)** | **1,093** | **301** |
| i. Long-term portion (> 1 year) of medium and long-term debts to credit institutions | 507 | 576 |
| **j. Non-current financial debts to credit institutions** | **507** | **576** |
| **K. NET FINANCIAL DEBT (H+J-D-E)** | **(1,626)** | **(1,429)** |

* *Excl. OAT (Emir)*
*(a) Cash means asset balances of current accounts with credit institutions, as well as cash and central bank accounts.*
*(h) and (i) Liabilities to credit institutions carry no guarantees or surety.*

At 31 December 2018, Amundi's **(Liquidity Coverage Ratio) LCR**, at one month in a stressed scenario, was 211%. The aim of the LCR is to strengthen the short-term resilience of banks' liquidity risk profiles by ensuring they have enough unencumbered high-quality liquid assets (HQLA) that can be easily and immediately converted into cash on private markets in the event of a hypothetical 30-calendar day liquidity squeeze. Credit institutions have been subject to limits on this ratio since 1 October 2015, with a minimum ratio of 100% as from 2018.

**In addition, on 23 October 2015, the Group signed a syndicated multi-currency revolving credit agreement** of €1,750 million with an international syndicate of lenders, with an initial maturity of five years from the date of the agreement and renewed in October 2017. The purpose of the agreement is to increase the Group's liquidity in all currencies in use and to secure access to that liquidity particularly if needed to face outflows in some funds managed by the Group. It includes two covenants, for which the requirements were met at 31 December 2018: a minimum level of tangible shareholders' equity and a gearing ratio, being the ratio of net debt to tangible equity.

# 4.5 RELATED PARTY TRANSACTIONS

The main transactions entered into with related parties are described in note 9.2 “Related parties” to the consolidated financial statements at 31 December 2018.

Furthermore, in accordance with Article L. 225-37-4, 2 of the French Commercial Code, -the Corporate Governance report (included in Chapter 2 of the 2018 Registration Document) lists all related party agreements, covered by the provisions of Article L. 225-38, signed in 2018 and submitted to the AGM for approval. The special report of the statutory auditors dated 22 March 2019, included in this Registration Document in chapter 8 “Special report of the statutory auditors on regulated agreements and commitments”, describes the essential features and provisions of those agreements and commitments, of which the Auditors were made aware, along with information concerning the implementation, during the fiscal year just ended, of agreements and commitments already approved by the AGM.

# 4.6 MAIN RISKS

In accordance with Article L. 225-100-1, paragraphs 3 and 4, of the French Commercial Code, part 3 and part 5 of this 2018 Registration Document set out the principal risks and uncertainties facing the Company, as well as indications of the financial risks arising from climate change and a presentation of measures the Company is taking to mitigate these by applying a low-carbon strategy to all components of its business.

# 4.7 INTERNAL CONTROL

The main features of the internal control and risk management procedures put in place by the Company for preparation and processing of accounting and financial information are presented in chapter 5 of this 2018 Registration Document.

# 4.8 OUTLOOK

**In 2018, Amundi’s dynamic development confirmed the resilience of its business model; the consolidation of Pioneer was a success and is essentially complete.**

**The 2018 results are in line with the plan announced in February 2018. Despite a less than promising economic environment, Amundi still retains powerful assets to continue its profitable growth, based on the following strategic priorities:**

- to continue the development of each business line by leveraging its leadership role in Retail networks and accelerating penetration among institutional and corporate clients;
- to develop new distribution partnerships, particularly in Europe and Asia;
- to continue to promote its range of products and services;
- to expand its presence throughout the value chain, particularly *via* the development of Amundi Services;
- to strengthen its positioning as a responsible investor that meets growing client expectations.

# 4.9 ANALYSIS OF AMUNDI PARENT COMPANY RESULTS

In 2018, the net banking income of Amundi (Parent company) was €482 million, versus €151 million in 2017, an increase of €331 million.

This is mainly comprised of:

- securities income of €551 million, of which €543 million in dividends received from Amundi subsidiaries;
- a write-down in the value of securities of its various portfolios for €65 million.

A rise in operating expenses from €15 million in 2017 to €22 million in 2018.

In view of these items, gross operating income totalled €460 million in 2018, down by €324 million compared to the 2017 financial year.

After recognition of "cost of risk" and "net gains (losses) on fixed assets", pre-tax income on ordinary activities was €460 million.

As part of its tax consolidation agreement (16 companies consolidated), Amundi recorded income, net of tax, of €28 million.

In total, Amundi's net income for the period was a profit of €488 million in 2018, compared with a profit of €137 million in 2017.

## Amundi Parent company five-year results

| Type of indicator | 31/12/2014 | 31/12/2015 | 31/12/2016 | 31/12/2017 | 31/12/2018 |
|---|---|---|---|---|---|
| Share capital at end of year *(in €)* | 416,979,200 | 418,113,093 | 419,813,673 | 503,776,405 | 504,260,885 |
| Shares issued | 166,791,680 | 167,245,237 | 167,925,469 | 201,510,562 | 201,704,354 |
| **Operations and results for the year In € thousands** | | | | | |
| Net revenues | 278,983 | 505,675 | 333,048 | 150,895 | 481,789 |
| EBITDA | 269,250 | 484,742 | 304,215 | 135,802 | 459,973 |
| Income tax charge | (53,138) | (23,558) | (5,078) | 988 | 27,783 |
| Earnings after tax, depreciation and provisions | 216,112 | 461,179 | 299,126 | 136,779 | 487,745 |
| Earnings distributed | 243,516 | 342,754 | 443,306 | 503,601 | 584,943 |
| **Per share data** *(in €)* | | | | | |
| Earnings after tax but before depreciation and provisions | 1.30 | 2.76 | 1.78 | 0.68 | 2.42 |
| Earnings after tax, depreciation and provisions | 1.30 | 2.76 | 1.78 | 0.68 | 2.42 |
| Dividends per share | 1.46 | 2.05 | 2.20 | 2.50 | 2.90 |
| **Employees** | | | | | |
| Average headcount | 14 | 10 | 10 | 11 | 12 |
| Payroll during the year *(in € thousands)* | 1,814 | 2,287 | 745 | 1,754 | 3,390 |
| Employee benefits and social contributions paid during the financial year (social charges and taxes) *(in € thousands)* | 486 | 492 | 536 | 863 | 1,445 |

# 4.10 INFORMATION ON AGING OF ACCOUNTS PAYABLE

Article L. 441-6-1 of the French Commercial Code obliges any company producing audited annual financial statements to publish, in their management review, the balance of all customer and supplier receivables and payables by due date, as specified in Decree 3017-350 of 20 March 2017 (Article D. 441-4 of the French Commercial Code).

**Past due invoices received or issued and unpaid at the closing date (Table pursuant to Article D. 441-4)**

| | **Article D. 441 I.-1: Invoices received, past due and unpaid at the closing date.** | | | | | | **Article D. 441 I.-2: Invoices issued, past due and unpaid at the closing date.** | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *In € thousands* | **0 days** | **1 to 30 days** | **31 to 60 days** | **61 to 90 days** | **91 days and over** | **Total (1 day and over)** | **0 days** | **1 to 30 days** | **31 to 60 days** | **61 to 90 days** | **91 days and over** | **Total (1 day and over)** |
| **(A) LATE PAYMENT TRANCHES** | | | | | | | | | | | | |
| Number of invoices | | | | | | 5 | | | | | | 10 |
| Total sum of invoices incl. VAT | | | 1 | 20 | 43 | 63 | | | | 58 | 6 | 65 |
| Percentage of total purchases for the year | | | 0.00% | 0.07% | 0.15% | 0.23% | | | | | | |
| Percentage of revenue for the year | | | | | | | | | | 0.05% | 0.01% | 0.05% |
| **(B) INVOICES EXCLUDED FROM A FOR DISPUTED OR UNACCOUNTED PAYABLES AND RECEIVABLES** | | | | | | | | | | | | |
| Number of excluded invoices | | | | | | 0 | | | | | | |
| Amount of excluded invoices | | | | | | 0 | | | | | | |
| **(C) BENCHMARK PAYMENT PERIODS** | | | | | | | | | | | | |
| Payment periods used to calculate late payment | | | | | | > 30 days | | | | | | > 30 days |

*NB: This information does not include banking transactions and related transactions that do not fall under the scope of information to be provided.*

# Risk management and capital adequacy

5

# 5.1 RISK CULTURE (AUDITED)

Asset management is primarily a risk management activity. Consequently, risk culture is essential to all the Company's lines of business. Amundi constantly ensures that its organisation and its processes enable it to identify risks correctly and contain them at each stage of its products' lives. This approach is characterised by the sharing of experiences and best practices in terms of understanding and managing risks, facilitated by:

- operating across business lines;
- the systematic representation of control functions (Risk and Compliance) within the various committees: products, investments, customer service, etc.;
- combining the applications and risk measurement methods onto a single IT platform, creating a set of guidelines shared by all teams;
- establishing initiatives to discuss and provide information on the various risks related to the Company's business;
- educating employees about new risks that appear and changes in the regulations governing them, through e-learning and on-site training sessions.

Maintaining a risk culture also involves educating clients about the risks to which their assets are exposed. Amundi puts out a variety of publications for its clients that describe those risks and how they are affected by economic conditions, along with the solutions implemented by the management teams to deal with them advantageously.

# 5.2 IDENTIFYING AND MANAGING RISK FACTORS

Amundi's primary business is asset management. Accordingly, Amundi is subject to the oversight of the various regulatory systems pertaining to this business.

Amundi is also classified as a credit institution and is therefore subject to monitoring by the banking supervision authorities.

In the course of business, Amundi is primarily exposed to four risk categories:

- **own account risks,** arising from investment portfolio management and ALM, with a direct impact on net income;
- **risks related to third party asset management,** which may, in view of Amundi's liability as a management company, indirectly impact its results, particularly in the event of non-compliance with a commitment made;
- **risks related to exposure** of the Company in the context of a portion of its activities for third parties, namely in the management of products involving Amundi's balance sheet or off-balance sheet activities;
- **risks "across business lines"** (business line, regulatory, tax, organisational, etc.) related to Amundi's business activities whether on its own account or for a third party and that are inherent to management activities, or market interventions, regardless of their purpose.

## 5.2.1 Risks related to own account activities

| Type of risk | Triggering factor | Potential consequences |
|---|---|---|
| **Risk associated with the investment portfolio**<br>*Risk of loss of value on investments made by Amundi on its balance sheet*<br>**Liquidity risk**<br>*Risk of margin calls on collateralised OTC transactions*<br>**Foreign exchange risk**<br>*Risk that is primarily linked to the structural positions resulting from stakes acquired abroad*<br>**Interest-rate risk**<br>*Risk that is primarily generated by the investment portfolio*<br>**Credit risk**<br>*Risk from securities that are held directly or by guaranteed funds* | ■ Failure of a new process (*seed money*)<br>■ Adverse price fluctuations for any investment<br>■ Adverse changes in market data (exchange rate, interest rate, etc.)<br>■ Third party default | ■ A discrepancy between the asset versus liability structure resulting in increased risk<br>■ Drop in investment value (obligation to retain shares, negative Mark to Market)<br>■ Negative market effect on assets on balance sheet, not offset by changes in liabilities<br>■ Financial losses |

### 5.2.1.1 RISK ASSOCIATED WITH INVESTMENT PORTFOLIO

The investment portfolio includes surplus capital voluntary investments and seed money. Seed money is used to launch new funds. Portfolios mainly consist of investments in funds managed by Amundi and its subsidiaries.

The investment portfolio is supervised by:

- the Seed Money Committee, which meets monthly to validate and monitor Seed Money investments and divestments;
- the Financial Management Committee, which meets up to twice per quarter and establishes guidelines pertaining to the voluntary investments portfolio and ensures the monitoring of the risk structure of the investment portfolio; overall portfolio investment limits as well as limits for each underlying asset are set by the Risk Management Department annually.

For most French entities, day-to-day cash management (relating to the Company's operations) is governed by a centralised cash management agreement. The voluntary investment and seed money portfolios are largely managed centrally at the Group level.

The investment portfolio is principally divided into fixed-income and money market exposures as detailed in table 4.4.1 of this Registration Document.

Market risk is measured by Value at Risk (VaR), a metric used to estimate the financial risk level of an investment portfolio. VaR represents the potential loss over a given holding period at a given confidence level. Amundi's VaR is a historical VaR. Amundi measures VaR at a 99% confidence level and a 20-day holding period, based on a historical observation period of one year It amounted to €18 million at 31 December 2018 and reached a maximum of €19 million during 2018 (compared to €40 million in 2017).

Other indicators are also used to monitor the portfolio: sensitivity to changes in interest rates, spreads, and share prices and historical and hypothetical stress indicators.

### 5.2.1.2 LIQUIDITY RISK

This is an area of less concern for Amundi than for most financial institutions. Only Amundi Finance may have sizeable cash needs, as part of its margin calls on collateralised over-the-counter transactions. These needs are given monthly stress tests whose purpose is to verify that they are covered by the amount of cash and cash equivalents and immediately marketable funds in the investment portfolio. Liquidity risk is managed and monitored regularly at each Financial Management Committee meeting;

#### Major structural resources

Amundi manages its liquidity with a solid level of capitalisation reinvested chiefly in a short-term portfolio consisting mostly of liquid money-market and fixed-income mutual funds (see section 4.4.1) and with its current account cash surpluses.

**In addition to its own resources, Amundi has other possible sources of financing:**

- Neu CP/New MTN programme: a programme for the issue of short-term transferable securities – "NEU CP" of €500 million and the programme for the issue of medium-term transferable securities – "NEU MTN" of €200 million were authorised by the Banque de France on 14 October 2016;
- revolving credit facility (RCF): on 23 October 2015, Amundi and an international lending syndicate signed a syndicated multi-currency revolving credit facility of €1.750 billion with an initial maturity of 5 years (renewed in October 2017). This agreement includes two covenants for which the requirements were met at 31 December 2018: a minimum level of tangible shareholders' equity and minimum gearing ratio, corresponding to the ratio of net debt to tangible shareholders' equity. The purpose of the agreement is to increase the Group's liquidity in all currencies in use and to secure access to that liquidity, particularly if needed to face outflows in some mutual funds managed by the Group;
- a refinancing ability with Crédit Agricole S.A., subject to internal limits.

#### Varying requirements

- seed money operations can create cash requirements. As a result, they are partly linked to Amundi's plans to develop its third-party asset management business;
- there may also be a liquidity requirement linked to derivatives brokerage business by Amundi Finance as referred to earlier. This need is measured monthly on the basis of stress scenarios, which themselves are based on sharp movements in equity markets (20%) and interest rates (100-130 basis points depending on maturity);
- lastly, with regard to the structured products activity, since February 2017 the EMIR regulation requires that deposits in the form of securities be held to secure uncleared derivatives transactions between market counterparties. The Amundi Group has decided to build a portfolio of OATs or equivalents, to be offered as collateral. These requirements are regularly reviewed and their financing is approved by the Financial Management Committee.

#### Liquidity risk management arrangements

Amundi's liquidity is managed to meet the ordinary needs of Amundi entities, while ensuring that regulatory requirements are met. For most French entities, day-to-day cash management (relating to the Company's operations) is governed by a centralised cash management agreement. In addition, one of objectives of the voluntary investments portfolio is to build up reserves of funds eligible for the LCR and underlying assets in the event of stress.

Amundi uses two specific indicators to express its risk appetite and risk profile. These two indicators are the LCR ratio and the Gearing or Debt ratio (net debt/tangible shareholders' equity):

- the aim of the LCR is to strengthen the short-term resilience of banks' liquidity risk profiles by ensuring they have enough unencumbered high-quality liquid assets (HQLA) that can be easily and immediately converted into cash on private markets in the event of a hypothetical 30-calendar day liquidity squeeze. It must be noted that liquidity stress linked to exchanges of collateral is also taken into account for the calculation of the

LCR. Credit institutions have been subject to limits on this ratio since 1 October 2015, with a minimum ratio of 100% as from 2018. At 31 December 2018, Amundi's LCR at the consolidated level was 210%;

- the net debt/tangible equity ratio stood at 2% at end-2018.

In addition, these two indicators are supplemented by internal limits, including a restriction on short-term refinancing from Crédit Agricole S.A. If the limit is exceeded, appropriate solutions are adopted.

Lastly, a certain number of additional indicators are monitored to measure resistance in terms of liquidity in various crisis environments. These scenarios assume business continuity, and factor in the ability to sell components of the voluntary investment portfolio (fund units), taking into account the time required to sell and more or less significant discounts. The principle of these tests is to determine whether the refinancing requirements are covered (over different time periods) by the liquidity reserves.

An emergency plan has also been drawn up in respect of extreme situations. The plan involves larger disposals of the voluntary investment portfolio and more exceptional measures such as medium and long-term refinancing with Crédit Agricole.

It should be noted that the breakdown of Amundi's financial assets and liabilities by contractual maturity is presented in note 3 to the Company's consolidated financial statements for the years ended 31 December 2018 and 2017 (chapter 6 of this Registration Document).

### 5.2.1.3 FOREIGN EXCHANGE RISK

Amundi's main foreign exchange risk exposures are structural, related to its investments in foreign subsidiaries and joint ventures. Amundi's policy at this stage is usually not to hedge these exposures.

In 2018, however, it was decided to ensure basic hedging for the largest positions (in USD, JPY and GBP) from the perspective of optimising the RWA associated with these positions. This represented an amount of €134 million at end-2018.

Operational foreign exchange positions are subject to a global limit. This limit requires foreign-currency revenues to be converted regularly into euros. It also requires any foreign-currency investment made in connection with the investment portfolio to be hedged. Amundi's operational foreign exchange positions are not material.

### 5.2.1.4 INTEREST RATE RISK

Amundi does not have any bank intermediation activity and so is not exposed to global interest-rate risk.

Amundi may be exposed to interest-rate risk with respect to its investment portfolio. That risk is monitored using NAV-type (net asset value) sensitivity indicators. Amundi also carries on its balance sheet a limited amount of loans to and borrowings from credit institutions, although the resulting interest-rate risk is not material and therefore not hedged. Lastly, the government securities acquired during 2018 by way of collateral in the context of the EMIR regulation are subject to interest-rate hedges.

### 5.2.1.5 CREDIT RISK

The Credit Committee sets the individual limits on issuer risk for securities held directly or by the guaranteed funds. It also sets the counterparty risk limits on market transactions. Credit risk is continuously watched by the Credit Analysis unit of the Risk Management Department, which alerts the Credit Committee in the event of the degraded financial condition of an issuer or counterparty.

## 5.2.2 Risks related to third-party asset management

| Type of risk | Triggering factor | Potential consequences |
|---|---|---|
| **Investment risk**<br>*Regulatory risk (market performance, credit, liquidity and OTC counter-valuation)* | ▪ Non-compliance with investment rules, client undertakings or regulations<br>▪ Under-performance<br>▪ Deterioration in quality of an issuer or counterparty<br>▪ Decrease in liquidity | ▪ Client compensation<br>▪ Penalty applied by the regulator<br>▪ Closure of a fund (reputational risk)<br>▪ Ad hoc support measures |
| **Extra-financial risk**<br>*SRI offering that does not comply with investor expectations in terms of merit and commitment.*<br>*Indirect risk for Amundi resulting from its responsibility regarding ESG commitments* | ▪ SRI offering that does not comply with investor expectations in terms of merit and commitment | ▪ Customer disaffection<br>▪ Impact on image (reputation risk) that may affect the Company's income |

#### 5.2.2.1 INVESTMENT RISK

The vast majority of risks related to investing on behalf of third parties are borne by the clients.

Risk management related to the third-party asset management business has three main aspects:

- ***ex-ante*** rules for all investment activities, approved by the Risk Management Committee. These rules set out the applicable risk strategies for each portfolio or group of portfolios. The risk strategies define the investment universe, authorised or forbidden instruments, the nature and level of acceptable market risk (VaR, tracking error, sector exposures, sensitivity, etc.) and issuer risk and liquidity risk. The rules may also include specific control rules for the relevant portfolios;
- **on-going supervision of compliance with these rules (tracking the investment ratios)**, is performed by specialist risk management teams, organised along similar lines to the management teams. The risk management teams are responsible for ensuring that all managed portfolios (funds or mandates) comply with the investment constraints stipulated in the regulations (*e.g.* constraints regarding diversification/concentration, exposure quality, liquidity, rating, maturity and VaR), agreed contractually with clients (investment agreements, notices, mandates, etc.) or set out in Amundi's internal guidelines set by the Investments Committee.

Compliance with these investment rules is provided through in-house software to:

- identify and list constraints (regulatory, contractual and internal) in a single database;
- perform ex-post controls;
- manage any breach;
- create an audit trail;
- issue reports to management and statistics on breaches;
- ex-post assessment of investment decisions actually implemented. This assessment is based on a periodic portfolio reviews intended to cast light on risks taken and returns achieved with respect to the management method, and a twice-yearly review of "Risk Strategies", during which the appropriateness of the defined framework is reviewed, particularly by taking into account changes in the market environment and analysing risks effectively taken by comparison with specified limits. These risk strategies are intended to cover all portfolios.

#### 5.2.2.2 EXTRA-FINANCIAL RISK

Amundi takes measures to meet the expectations of its various stakeholders regarding corporate social responsibility. Extra-financial risks are addressed in policies pertaining to the operation of the Company (Purchasing policies, Human Resources policies) that are implemented by the relevant business lines. Extra-financial risks in portfolios managed on behalf of third parties are controlled by investment limits established based on internal ratings determined by a dedicated team of analysts who analyse ESG criteria.

The various parameters selected to create this rating and the investment limits applicable to portfolios as an aggregate and/or to individual portfolios depending on the financial management processes, are subject to specific governance involving the risk management teams.

Once the rules are defined, compliance with ESG limits is monitored in real time, in the same manner as investment ratios. These issues are detailed in the Chapter 2 of the present Registration Document.

### 5.2.3 Risks related to Amundi's exposure in the portion of its business conducted on behalf of third parties

| Type of risk | Triggering factor | Potential consequences |
|---|---|---|
| **Risk on guaranteed funds**<br>*Risk in the form of financial compensation paid by Amundi to its clients in the event of under-performance on guaranteed products* | ▪ Third party default<br>▪ Set up error – Operational error<br>▪ Changes in financial markets | ▪ Unsatisfactory performance in relation to the guarantee given, therefore requiring the payment of a "performance complement" by Amundi.<br>▪ Drop in the valuation of assets resulting in a decrease in overall commissions |
| **Risk on index-linked bonds**<br>*Risk of loss in the event of an adverse change in the real estate market* | ▪ Changes in real estate market<br>▪ Poor liquidity in real estate funds | ▪ Unsatisfactory performance in relation to the capital guarantee attached to bonds indexed on real estate, requiring the payment of a "performance complement" by Amundi.<br>▪ Impossibility of selling underlying fund units in which a portion of the proceeds generated by these issuances are reinvested to generate the liquidity required to finance redemption |
| **Risk on derivative brokerage**<br>*Risk of loss in the event of the default of a counterparty combined with an adverse change in the markets* | ▪ Counterparty default | ▪ Amundi being an intermediary between the funds and banking counterparties, this activity does not generate market risks but exposes Amundi to the risk of counterparty default |

### 5.2.3.1 RISK ON GUARANTEED FUNDS

Certain products offered to clients feature guaranteed returns and/or capital guarantees.

Structured funds benefiting from guarantees granted by Amundi mainly consist of three types: formula funds, constant proportion portfolio insurance (CPPI) funds and Italian pension funds.

**Formula funds are intended** to deliver a predefined return, based on a formula that is usually linked to share prices or indexes. The formula usually includes a form of capital protection.

**CPPI funds are** intended to offer partial exposure to the returns of risky assets, along with a guarantee that is defined at the outset.

**Italian pension funds** (activity mainly an outcome of the Pioneer acquisition) are designed to protect the capital of subscribers until retirement age (except in the case of early exit).

The following table shows amounts guaranteed at 31 December 2018 and 31 December 2017:

| *In € millions* | 31/12/18 | 31/12/17 |
|---|---|---|
| Formula funds | 9,260 | 12,030 |
| Constant proportion portfolio insurance (CPPI) funds | 7,292 | 5,504 |
| Italian pension funds | 2,517 | 2,236 |
| Other guaranteed funds | 1,059 | 973 |
| **TOTAL OFF-BALANCE SHEET COMMITMENTS** | **20,129** | **20,743** |

The liability relating to these funds corresponds to the amount of risk to which the Amundi Group as guarantor is exposed on the measurement date. Depending on the types of funds and the form of the guarantee, it is linked to the amount initially invested or the value of assets under management on the date the liability is measured, or to the specified formula in the case of formula funds.

The Risk Management Department continuously monitors the adequacy of assets held relative to returns due from the funds.

Fund assets may comprise the following:

- direct acquisition of debt obligations;
- acquisition of equities whose performance may be swapped with top-tier banks;
- repurchase agreements with top-tier banks;
- purchase of fund units (multi-asset investments).

Except for the Italian pension funds, the main risk to which the guarantor is exposed in relation to these funds is the risk of default on securities acquired directly by the fund.

Assets that expose the guarantor to credit risk are permanently monitored by an independent credit analysis team within the Risk Management Department. Exposures for each issuer are subject to limits set by the Credit Committee. Exposures are monitored on the basis of their nominal amount. The credit quality measurement process includes an internal system that gives a ranking based on issuer quality.

Assets exposing the guarantor to credit risk:

- prior authorisation of each investment from the independent credit analysis team. The exposure for each issuer has limits placed upon it. There is no sector or geographic restriction a priori but the assets must be rated at least investment grade at the time they are acquired;
- monthly reports in terms of exposure, limits and ratings.

At 31 December 2018 and 2017, exposures break down as follows by rating, geographical area and sector (in proportion to the nominal amount of securities directly acquired by guaranteed funds, i.e. €4,670 million in 2018 and €4,500 million in 2017):

#### Breakdown by rating

| | 31/12/18 | 31/12/17 |
|---|---|---|
| AAA | 4% | 7% |
| AA+ | 8% | 0% |
| AA | 6% | 9% |
| AA- | 4% | 6% |
| A+ | 21% | 3% |
| A | 9% | 33% |
| A- | 7% | 5% |
| BBB+ | 19% | 5% |
| BBB | 5% | 31% |
| BBB- | 17% | 0% |
| NR | 1% | 1% |
| **TOTAL** | **100%** | **100%** |

#### Breakdown by geographical area

| | 31/12/18 | 31/12/17 |
|---|---|---|
| France | 36% | 47% |
| Belgium | 4% | 4% |
| Spain | 13% | 7% |
| Italy | 19% | 26% |
| United Kingdom | 2% | 3% |
| Netherlands | 2% | 2% |
| Germany | 5% | 3% |
| United States | 14% | 6% |
| Other | 5% | 2% |
| **TOTAL** | **100%** | **100%** |

#### Breakdown by sector

| | 31/12/18 | 31/12/17 |
|---|---|---|
| Financial institutions | 37% | 47% |
| Sovereigns and agencies | 47% | 43% |
| Corporates | 16% | 10% |
| **TOTAL** | **100%** | **100%** |

Analysis of exposures shows a high concentration in the financial sector. Exposures are mainly to top-tier banks, particularly large French credit institutions.

The amount of provisions recorded by Amundi in respect of guarantees given to funds, to cover all types of risks, is as follows:

- €14,038 thousand at end-2017;
- €29,170 thousand at end-2018.

Apart from issuer or counterparty default, the amount of provisions can vary depending on credit risk or credit spread levels. It can also be affected by market fluctuations in the case of pension funds.

Losses actually incurred by Amundi in the past two years were:

- €1,910 thousand in 2017;
- €4,548 thousand in 2018.

In the case of CPPI funds, the market risk associated with “dynamic” assets is measured using C-VaR statistical indicators. Provisions may be recorded in certain cases for the role of guarantor of these funds:

- in the case of CPPI funds, provisions are set aside when the portfolio value is lower than the floor value;
- in the case of formula funds, provisions are set aside depending on spreads on hedging assets held by these funds, and in the event of any default involving these assets or the counterparties of derivatives transactions entered into by the funds.

### 5.2.3.2 RISK ON THE ISSUE OF INDEX-LINKED BONDS: ISSUES OF STRUCTURED EMTNS

Since the end of 2013, Amundi has developed a business in issuing index-linked bonds:

- bonds linked to the equity markets: these issues are hedged by derivatives and pose no market risk for Amundi;
- bonds linked in part to the real estate market: these issues are hedged using the same principles as equity-linked issues, but they expose Amundi to the risk of changes in real estate prices because of the capital guarantee attached to them. This type of risk has its own set of restrictions.

The risk of change in the price of real estate assets is not actively managed, since the transactions are set up back-to-back (holding as assets solely those items necessary to cover the liability).

The risk is monitored:

- on the one hand by verifying the effectiveness of the hedges used, i.e., the amount of real estate assets is engineered to match the liabilities exactly;
- on the other, by using stress scenarios in which the valuation of the real estate assets is heavily downgraded. The stress scenarios make it possible to determine at what point a decline in the value of the real estate assets would expose Amundi to risk.

Excluding the specific case of real estate assets, the issue proceeds are reinvested in debt securities issued by Crédit Agricole Group.

At 31 December 2018, the nominal amount of EMTN issues was €5,773 million, including €1,489 million linked to real estate (nominal amounts).

As part of secondary-market activities, which give rise to Amundi buying back EMTNs, hedging is systematically adjusted to ensure that hedging principles are complied with.

### 5.2.3.4 RISK ON DERIVATIVES BROKERAGE

To ensure that clients receive the promised returns (formula funds or structured EMTNs), derivative agreements are entered into with external bank counterparties selected through a tender process. At 31 December 2018, the total nominal amount of transactions between Amundi Finance and its market counterparties was €34.7 billion.

The transactions, once the funds and the EMTNs have been sold out, are hedged so as to only create limited market risk. However, they do result in liquidity and counterparty risk.

The notional amount of the performance swaps on funds and EMTNs being marketed at 31 December 2018 was €229 million versus €1,242.5 million at 31 December 2017. Performance swaps are written with market counterparties in a notional amount equal to the level of sales projected. The fund is committed only to the amount of actual sales. Amundi bears the risk of a variance between the projected level of sales and the actual level. These are short-term liabilities, since the average marketing time is three months. On the reporting date, a provision appraised by experts is recognised should there be a variance in current transactions between the projected level of sales and the actual level. No provision had been made at 31 December 2018.

To reduce the funds' counterparty risk associated with these transactions – to which Amundi is exposed as guarantor – Amundi deals with the counterparties on its own account. These are all large financial institutions. These transactions are centralised by Amundi Finance, an Amundi subsidiary that specialises in the guarantee activity. Counterparties authorised for derivatives brokerage are pre-authorised by the Credit Committee, which sets the limits of separate exposures. The transactions are executed under master agreements with exchange of collateral, which substantially reduces Amundi's counterparty risk.

Exposures are measured according to the standard prudential method and are subject to individual counterparty limits. At 31 December 2018, the breakdown of these exposures by credit rating is as follows (risk measurement based on mark-to-market, future potential risk and collateral exchanged):

| | 31/12/18 | 31/12/17 |
|---|---|---|
| AA- | 7% | 7% |
| A+ | 16% | 21% |
| A | 42% | 45% |
| A- | 10% | 6% |
| BB+ | 0% | 0% |
| BBB | 0% | 0% |
| BBB- | 17% | 13% |
| BBB+ | 8% | 8% |
| **TOTAL** | **100%** | **100%** |

Liquidity risk arises from the fact that:

- the derivative agreement between Amundi Finance and the market counterparty involves a netting agreement and a collateral agreement;
- certain derivative agreements between Amundi Finance and the funds involve no collateral.

Management of this risk is described in section 5.2.1.2 of this Registration Document.

## 5.2.4 Risks across business lines

| Type of risk | Triggering factor | Potential consequences |
|---|---|---|
| **Business risk in this business sector**<br>*Risk with a uniform impact on all asset management companies* | ■ Changes in financial markets<br>■ Changes in regulations | ■ Drop in the valuation of assets resulting in a decrease in overall commissions<br>■ Difficulties in achieving out-performance resulting in a reduction of the CSPs<br>■ Risk-averse investors in disrupted markets<br>■ Potential restrictions or limits on certain activities |
| **Business risk specific to the Company**<br>*Risk solely impacting Amundi, or noticeably more so than competitors* | ■ Major incident with a client or a fund<br>■ Changes in partnership agreements | ■ Reputation affected, having an impact on image and/or trust relationship, thereby generating less business or purchases<br>■ Fine imposed by a regulator or infraction of a public nature<br>■ A partnership agreement is called into question (non-renewal at expiration), strongly impacting cash flow and revenue |

| Type of risk | Triggering factor | Potential consequences |
|---|---|---|
| **Regulatory and legal risks**<br>*Risk in the form of costs for achieving compliance with various regulations and the payment of fines* | ▪ Changes and increases in regulatory requirements | ▪ Complying with these requirements is costly and may impact Amundi's growth.<br>▪ Non-compliance with laws and regulations may result in fines, bans on certain business activities or other sanctions that could have an adverse effect on Amundi's reputation and its results.<br>▪ Regulatory reforms could have an impact on Amundi's clients and encourage them to review their investment strategies to the detriment of Amundi and/or reduce client interest in Amundi products leading to an adverse impact on assets under management and results. |
| **Non-compliance risk** | ▪ Inadequate controls of transactions and their execution on markets<br>▪ Inadequate internal procedures<br>▪ Inadequate information provided to clients<br>▪ Privileged or confidential information | ▪ Legal, administrative or disciplinary sanctions<br>▪ Financial losses<br>▪ Reputational damage |
| **Operational risk** | ▪ Failure of processes, systems or persons responsible for processing transactions, departure of key personnel<br>▪ Business interruption<br>▪ Interruption in services | ▪ Legal, administrative or disciplinary sanctions<br>▪ Financial losses<br>▪ Reputational damage<br>▪ Loss of expertise<br>▪ Non-availability of IT systems (cyber-attack or other) preventing the completion of market transactions (potential losses from breaches) |
| **Risk of the dilution or cancellation of Amundi shares**<br>*Risk resulting in a negative impact on the market value of Amundi shares*<br>*Risk of divergences in the interests of Amundi and its shareholders* | ▪ Resolution procedure against Amundi<br>▪ Influence of majority shareholder<br>▪ Importance of business relations with its majority shareholder and its group | ▪ Amundi shares could be cancelled or significantly diluted prior to or in the context of a resolution procedure against the Company, thereby depriving the shareholders of their rights.<br>▪ Significant influence of CAsa on Group business, the appointment of the members of senior management as well as on dividend policy. CAsa's interests may not always be in line with those of other Amundi shareholders.<br>▪ Amundi's interest may not always be aligned with the interests of the Crédit Agricole Group. |
| **Tax risks**<br>*Risk in the form of tax reassessments or the payment of late fees, fines and penalties* | ▪ Challenge to the interpretation of tax laws or regulations<br>▪ Amendments to tax laws or regulations<br>▪ New reporting requirements | ▪ Reassessments, payment of late fees, fines and penalties<br>▪ Increase in tax expense, adverse impact on Amundi's business, its financial position and its results.<br>▪ Increase in reporting expenses and costly reporting requirements. |

### 5.2.4.1 BUSINESS RISKS

The vast majority of Amundi's revenue consists of management commissions calculated according to the assets under management. Its results are therefore sensitive to factors that impact the performance of its assets:

- the value of financial instruments could decrease (direct impact on the value of assets under management and indirect impact on deposit-taking);
- demand from Amundi's clients depends on factors that are beyond its control and have an overall impact on the asset management market;
- Amundi is largely dependent on the distribution networks of the Crédit Agricole and Société Générale groups;
- management commission rates are subject to competitive pressure and market pressure;
- Amundi's inability to recruit and retain its employees could result in the loss of clients and provoke a drop in its assets under management;
- harm to Amundi's reputation (due to low investment yields, litigation, a regulatory measure, negligence or violation of applicable laws or regulations by its managers or distributors) could result in a decrease in its assets under management, its revenue, and its results.

### 5.2.4.2 REGULATORY AND LEGAL RISKS

Amundi, like all other financial institutions, is obliged to comply with new requirements in terms of reporting and the global fight against tax evasion. These new reporting requirements, and more generally, any mechanisms adopted in order to enhance cooperation between tax administrations in the fight against tax evasion, will subject Amundi to increasing additional administrative burdens and to costly reporting obligations.

A variety of regulatory and supervisory regimes apply to Amundi in each of the countries in which it operates.

In Europe, for its subsidiaries conducting asset management activities, Amundi is principally subject to three separate regulatory regimes for the management of retail mutual funds (mainly UCITS), the management of alternative investment funds (AIFs) and portfolio management and investment advisory services. It is subject to similar regulatory regimes in other jurisdictions in which it does business.

In addition, certain Amundi entities, as authorised credit institutions or investment companies, are subject to regulation by the banking supervisory authorities. Moreover, as a significant subsidiary of a banking group, the Crédit Agricole Group, Amundi is subject to additional bank regulatory requirements.

These regulations subject Amundi's business activities to a pervasive array of detailed operational requirements, compliance with which is costly and may affect Amundi's growth.

Key regulatory reforms that may impact Amundi include:

- **transparency requirements** that limit the ability of parties providing investment advice to accept payments (including sharing of commissions) and non-monetary benefits from portfolio managers such as Amundi;
- **independence requirements** that restrict the ability of parties providing independent investment advice to pay for or receive research from third parties;
- **money market fund requirements** that notably include rules relating to asset diversification, liquidity and transparency, as well as stress testing procedures;
- **new requirements relating to** the extent and transparency of information concerning investments in financial instruments and packaged investment and life insurance products, including rules relating to asset diversification, liquidity and transparency;
- **an increase in reporting requirements** under which Amundi must regularly invest in new and enhanced information technology and reporting tools, that are likely to increase Amundi's costs;
- to a lesser extent, the new European Regulation on Data Protection, under which Amundi and its Group must adapt certain IT solutions and implement an appropriate internal organisation;

Violation of applicable laws or regulations, or changes in the interpretation or implementation of these, could result in fines, the temporary or permanent prohibition of certain activities, and related client losses, or other sanctions, which could have a material adverse effect on Amundi's reputation or business and thereby a material adverse effect on its earnings.

Regulatory reform may also impact Amundi's clients, such as banking, insurance company and pension fund clients, which could cause them to change their investment strategies or allocations in manners that may be adverse to Amundi and/or lessen the interest of clients in Amundi's products. This could have a material adverse effect on Amundi's AuM, earnings and financial position.

As of 31 December 2018, there were no governmental, judicial or arbitration procedures, including any procedures of which the Company is aware, either pending or with which it is threatened, that may have or that have had a significant impact on the financial situation or profitability of the Company and/or Group over the past 12 months.

### 5.2.4.3 NON-COMPLIANCE RISK

Non-compliance risk caused by failure to comply with the provisions applicable to Amundi's activities, whether legal, regulatory or related to professional or ethical standards, may result in the risk of legal, administrative or disciplinary sanctions, significant financial losses or reputational damage.

These principal compliance risks involve the following topics:

- market integrity;
- financial security;
- the interests and protection of investors and clients;
- professional ethics.

Non-compliance risks are identified and assessed each year for each compliance theme within the "non-compliance risk map". These maps are drawn up by each Group entity and consolidated at the Amundi level.

The Compliance Department's control plan is aligned with the non-compliance risks identified in the risk mapping. It is reviewed periodically and validated by the Compliance Committee at the start of the year.

The Compliance Manual containing all the Crédit Agricole S.A. Fides documents and elements specific to asset management is used in all Amundi Group entities, accompanied by a set of compliance controls in use in all entities, which provides a consistent application of controls throughout the scope of businesses.

#### (i) Market integrity

Regulations require investment service providers to act in an honest, fair and professional manner that promotes market integrity.

The Group ensures compliance with market integrity through checks on transactions and the way they are executed in the markets (time-stamping, pre-allocation of orders, partial execution, management of market abuse alerts, monitoring of threshold crossings, application of best execution criteria etc.).

The Compliance Department's work also covers NAV figures (examining requests to suspend/recalculate a net asset value), and validating and checking the exercise of voting rights.

#### (ii) Financial security

Regulations require investment services providers to set up a system to combat money laundering and the financing of terrorism.

Amundi has adopted measures and internal procedures that are adequate and appropriate for ensuring compliance with all of its financial security obligations.

The system for combating money laundering and the financing of terrorism within the Group therefore involves applying the rules set out in the anti-money laundering manual and additional procedures.

The anti-laundering procedures are validated by the Company's Compliance Committee and are applicable to all Group entities.

#### (iii) The interests and protection of investors and clients

according to regulation[1], the investment services provider must:

- ensure that information about products made available to investors and clients is clear, transparent and not misleading;
- ensure that investors are treated fairly;
- refrain from placing the interests of a group of unit-holders or shareholders above those of another group of unit-holders or shareholders.

To protect the interests of investors and clients, Compliance ensures that information produced for clients is of high quality and balanced, checks that products offered to clients are suitable, checks all new products and activities and all substantial changes to existing products and activities, and checks that procedures governing responses to client complaints are complied with.

#### (iv) Professional ethics and the prevention of fraud and corruption

Rules and procedures must be adopted to ensure that people under the authority of investment services providers or acting on their behalf comply with provisions applicable to the service providers themselves and to those people, particularly the conditions and limits governing any personal transaction carried out on their own account.

All reasonable measures must also be taken to prevent conflicts of interest from damaging the client's interests. Situations that may give rise to conflicts of interest must be identified and a prevention system must be set up.

A system for reporting transactions carried out by "sensitive" employees on their own account and gifts received or given has been set up within Amundi and its subsidiaries.

The system for preventing conflicts of interest is based partly on a map that identifies situations posing a risk of a conflict of interest, the preparation and rating of conflict of interest scenarios, and a set of controls covering risky situations.

The holding of inside or confidential information is governed by special procedures that reiterate the obligations of the employees concerned and require the compilation of insider lists and confidentiality lists. Staff members on those lists are informed of the fact, and they are reminded of the relevant conduct rules at that time.

To prevent risks of fraud and corruption, fraud and corruption scenarios are prepared and assessed by business lines with the assistance of the Compliance Department. Risks of fraud are mapped. Fraud warnings and alerts are escalated so that special measures can be taken at the earliest opportunity. Amundi staff also undergo awareness-raising regarding the prevention of fraud and corruption.

Finally, staff members undertake training so that they have adequate information and training, according to their responsibilities, regarding applicable regulations and changes therein.

### 5.2.4.4 OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed processes, systems and people responsible for processing transactions.

The cost of operational risk (excluding the impact of provision reversals) was €3.2 million for 2018.

The following spreadsheet shows the breakdown of combined losses by type of risk over the past three years (2016-2018):

| Breakdown of operational risk losses (by value) by Basel risk category (2016-2018) | Breakdown |
|---|---|
| Execution, delivery and process management | 81.9% |
| Employment practices and workplace safety | 12.2% |
| Business interruption and systems failures | 3.0% |
| Clients, products and business practices | 2.0% |
| External fraud | 0.9% |

*(1) In particular the AMF General Regulation.*

#### (i) Skills risk

Amundi's success is largely dependent on the talents and efforts of its highly skilled workforce and on its ability to assist in their career development to support long-term business growth. Accordingly, some employees may eventually be entrusted with key positions within Amundi. Portfolio managers, financial analysts, product specialists, sales personnel and other professionals are part of a very competitive labour market.

Amundi's reputation, the compensation and benefits awarded to its employees, as well as its commitment to ensuring the succession of senior management positions, particularly by helping to develop and train qualified personnel, are all factors impacting Amundi's ability to attract and retain such employees. There are no guarantees that Amundi will continue to successfully recruit and build loyalty among employees or that it will efficiently manage the career paths of its employees. If Amundi were unable to accomplish this, its competitive advantages such as its ability to retain its clients would be substantially affected.

#### (ii) Risks related to information systems

The organisation and governance of the security of information systems are primarily based on:

- the COMSEC, Amundi's Security Committee, chaired by the Deputy Chief Executive Officer, in charge of the Business Support and Control Division;
- the Chief Information Security Officer (CISO) reports to the Security Department and is independent vis-à-vis the information systems department.

The CISO (Chief Information Security Officer) carries out controls under his/her responsibility as defined in the annual control plan. He/she ensures that the results are consolidated and consistent, and helps to prepare the information systems section of the regulatory internal control report. The results of the audits and the related recommendations are also provided so that they can be monitored.

These control actions ensure that the risk scenarios are properly covered and that any irregularities are highlighted and incorporated into follow-up plans.

- a unit dedicated to operational response managed by the Information Security Officer (ISO) and reporting to the CISO;
- a network of local correspondents in the subsidiaries;
- a control system making it possible to evaluate and report on the risk level of information systems.

With regard to cyber security, intrusion tests are carried out throughout the year by a specialised external firm, both internally and externally. These tests are systematically included in a report and measures are taken if incidents are identified.

An operational committee, the IT Security Steering Committee, meets monthly to oversee the control of information systems alongside the Security Committee, a senior management committee that participates in the internal control system. The Security Committee meets four times per year and is chaired by the CEO in charge of the Business Support and Control Division.

The current mode of organisation covers security challenges in accordance with the following four objectives:

- availability of systems and data;
- integrity of services provided and information processed;
- confidentiality of managed data;
- proof and traceability of transactions.

The Information Systems Security Policy (ISSP), as the documentary reference resource, comprises:

- the Principal Policy (document that establishes the foundations of the ISSP);
- policies per subject matter (on specific themes);
- organisational and technical standards (technical versions of the policies).

This policy is regularly updated to take into account changes in threats, the development of new technologies and the emergence of new standards.

#### (iii) Risk of business interruption

The business continuity plan (BCP) describes the rescue applications and how they are to be implemented depending on the operational crisis scenario involved and is validated by a senior management committee, the Amundi Security Committee.

This operating plan incorporates five key aspects:

- a crisis management plan based on organisation and resources available 24/7 to alert, analyse and monitor the situation but also to make decisions and distribute information;
- a user backup plan (UBP), which can be operational within four hours and which, for the Paris entities, is based at a site located 25 kilometres from Paris, comprising 230 dedicated workstations (expandable to 700 if needed), and with a remote working platform capable of handling 1,000 simultaneous connections; for trading purposes, a system makes it possible to resume business in under two hours in the event of the unavailability of the dedicated premises during the implementation of an immediate backup plan;
- an IT recovery plan, which can be operational within four hours, and which relies on dual data centres managed in "hot" mode with platform redundancy;
- verification of the business continuity plan for service providers;
- a business continuity plan (BCP) management system based on cross-functional organisation. Amundi conducts business impact analyses (BIA) for each of its business lines, defining for each process a level of criticality and requirements necessary to maintain the business in question.

This emergency and business continuity plan is regularly updated and tested annually.

The potential incident scenarios covered are:

- unavailability of the local work environment due to site inaccessibility or the failure of technical equipment (blackout, dead telecommunications devices, etc.). This scenario includes the shutdown of a building or group of buildings;
- unavailability of personnel due to a public transport strike, epidemic, flood, etc. The solutions that would cover this scenario must allow Amundi to maintain continuity of its operations once 30% of its workforce is available;
- physical unavailability of the information systems caused by the physical destruction of data centre hardware or devices giving network access to the data centre;
- unavailability of data centre software caused by malicious act, error or accident (virus attack, hacking, accidental destruction of a data bay or a database-altering computer bug);

- widespread unavailability of workstations caused, *e.g.*, by a massive virus infecting the workstations.

During the 2018 financial year, several tests were run on Amundi's BCP:

- an IT recovery plan was completed from 10 to 17 November 2018 by simulating the loss of a data centre for one week;
- a UBP was conducted on 21 June 2018;
- regular activation (28 days) between April and June 2018 during transport strikes rounded out these annual tests.

Amundi Group entities apply the business continuity policy and tailor it by adapting it when necessary to local laws and regulations. In addition to the five mandatory scenarios, each Group entity must check to see that it is not exposed to other, local threats.

They regularly test their BCP. These tests take the form of exercises that simulate an operational crisis scenario. The results of the tests are forwarded to Amundi's BCP Manager.

#### (iv) Risks related to outsourced services

Amundi delegates to external service providers some asset servicing activities, for regulatory (custody and depository services) or strategic reasons (fund administration, transfer agent) and within the framework of its responsibilities as a company managing financial portfolios.

Within this framework, since its creation, Amundi has chosen to focus on its core business and has relied on specialised and well-recognised service providers to ensure the performance of certain administrative tasks necessary to its activity, rather than perform them directly:

- this structuring choice can be illustrated by the outsourcing of the valuation of the funds and institutional mandates;
- similarly, the management of clients' accounts and transfer agent duties that could have been provided by Amundi have been contracted out to the custodians of the mutual fund concerned, given the custodians' ability to perform these functions as a centralising agent of subscription/redemption orders on behalf of their clients.

This approach has been taken in France as well as in international entities whenever possible.

Dedicated structures are responsible for the quality control of the execution of outsourced services, as well as monitoring the relationship with each service provider.

Amundi has specifically chosen to limit its use of external service providers to these two essential activities as more extensive outsourcing would result in distancing the activities that would no longer have been ensured by Amundi and thereby would have made the chain of processes constituting the asset manager's business far more delicate and thus less efficient. As a result, internal teams are responsible for monitoring the proper execution of transactions and for quality control of the banking and accounting records, among other functions.

Generally, for depositary duties as well as for the other delegated asset servicing duties (valuation, transfer agent), Amundi relies mainly on its two traditional providers, CACEIS/SGSS, for mutual funds or on other third-party providers when their clients have explicitly requested so for their mandates or dedicated funds.

Each of these services is governed by a framework agreement that defines the scope of the duties outsourced and the commitments specific to each of the two parties in the agreement. The operational range of the delegated duties is detailed in a separate document that defines the level of service expected as well as the daily relationship with providers (Service Level Agreement).

The governance, monitoring and control of these relationships are assured through regular committees, specific Service Reviews, and regular operational reviews. Key performance indicators complete this qualitative review of services rendered.

#### (v) Execution risk

##### *"Best selection" procedure*

Amundi has undertaken to take all reasonable steps in the execution of orders to obtain the best possible result within the meaning of the French Monetary and Financial Code. Due to their status, asset management companies of the Group do not have access to financial markets. In order to obtain the best execution possible, Amundi has chosen to use Amundi *Intermédiation* for its transmission and order execution activities. Amundi *Intermédiation* has been approved by the *Autorité de contrôle prudentiel et de résolution* (ACPR) as an investment company able to provide Reception and Transmission of Orders (RTO) services and order execution on behalf of third parties relating to all financial instruments specified in Article L. 211-1 of the French Monetary and Financial Code.

Amundi *Intermédiation*, as the provider of clearing services and order execution on behalf of third parties, has its own selection and execution policy. In order to obtain the best possible execution of orders, Amundi *Intermédiation* has implemented a broker and counterparty selection procedure. Such intermediaries are selected through an annual vote process based on established, relevant and objective criteria. It aims to establish a list of brokers/counterparties adapted to the volume of orders processed by Amundi *Intermédiation* with respect to the overall and/or specific client service requirements. Under applicable regulations, the selected intermediaries are bound to offer the best possible execution when they deliver an investment service to Amundi *Intermédiation*. All steps are taken to ensure that orders are executed in the client's best interest and contribute to market integrity by taking into account specified criteria such as price, liquidity, rapidity, cost, etc., depending upon their relative importance according to the various types of orders transmitted by the client.

In order to obtain the best possible result for its clients, Amundi *Intermédiation* regularly re-examines the conditions and mechanisms used in the execution of orders, in particular to take into account potential changes in the following criteria:

- client categorisation;
- scope of hedged financial instruments;
- access to platforms/places of execution;
- execution strategy;
- contributors to the vote;
- voting criteria;
- intra-period events;
- first or second level controls.

In the absence of internal or external events requiring a review during the course of the year, Amundi *Intermédiation's* execution policy is reviewed on an annual basis during the selection committees. This review is formalised in such committees' reports.

*Monitoring of order allocation*

The system of order allocation and channels is based on a strict separation of the Management and Trading business lines.

Managers' orders must be placed and processed by the Trading business line (through Amundi *Intermédiation*). The procedure is aimed at establishing an audit trail for each stage of the process, which involves investment management, the trading desk and the middle office. It is based on the use of a single in-house computer application in which the orders are systematically time stamped and pre-allocated from the start through the information systems.

As part of the framework of placing the orders, the system uses a default model whereby, in the event of partial execution, the allocation of partial quantities is determined in proportion to the quantities initially requested. This method ensures the fair allocation of traded quantities.

### 5.2.4.5 RISK OF THE DILUTION OR CANCELLATION OF AMUNDI SHARES

Order No. 2015-1024 of 20 August 2015 making various changes to adapt legislation to EU law in respect of financial matters, transposing into French law the European Directive establishing a framework for the recovery and resolution of credit institutions and investment companies, as well as the European regulation establishing rules and a uniform procedure for the resolution of credit institutions and certain investment companies as part of a Single Resolution Mechanism and a single banking resolution fund grants to the resolution authorities powers relating to the resolution of credit institutions.

Under these powers the resolution authority can initiate a resolution procedure against a credit institution when:

- the failure of the institution or its group is confirmed or likely;
- there is no reasonable prospect that other measures would avert the institution's failure within a reasonable timeframe;
- a resolution measure is needed to fulfil the aims of the resolution, which a winding-up procedure would not accomplish: (i) to ensure the continuity of critical functions, (ii) to avoid major negative impacts on financial stability, (iii) to protect the resources of the State by minimising recourse to exceptional publicly-funded bailouts, and (iv) to protect the funds and assets of clients, and of depositors in particular.

Insofar as Amundi is regulated as a credit institution, the resolution authorities could initiate a resolution procedure against it if the Company were to face financial difficulties that might justify the opening of such a procedure, or if the viability of the Company or the Group depended on it. The outstanding shares of the Company could be diluted through the conversion of other capital or debt instruments, cancelled or transferred, depriving shareholders of their rights. Even before the Company's resolution, if the financial condition of the Company were to deteriorate significantly, the risk of a potential cancellation or dilution of its shares would have a material adverse effect on their market value.

**(i) Amundi's operations and strategy are subject to the influence of its majority shareholder**

Following the listing of the Company's shares on the Euronext Paris market, Crédit Agricole Group remains the majority shareholder of Amundi and retains control thereover (percentage of shares held at 31/12/2018: 69.9%, percentage of voting rights held at 31/12/2017: 70%). Crédit Agricole S.A. is in a position to adopt or reject the resolutions submitted for approval to the shareholders at ordinary and extraordinary general meetings. Crédit Agricole S.A. is in a position to control the strategic decisions made by Amundi, including the appointment of members of the Board of Directors, approval of the annual accounts, the distribution of dividends and, for as long as Crédit Agricole S.A. continues to hold over two thirds of the voting rights at Amundi general meetings, any extraordinary decisions taken such as authorisations to proceed with mergers, changes to Amundi's articles of incorporation or capital and certain other major transactions. Crédit Agricole S.A.'s interest may differ from those of Amundi's other shareholders. Crédit Agricole S.A. will continue to be able to exercise significant influence over the Group's operations and nomination of members of management as well as the Group's dividend policy. Furthermore, the Chief Executive Officer of Amundi is also the Deputy Chief Executive Officer of Crédit Agricole SA. See section 2.5.4 of the Registration Document.

**(ii) Amundi has a significant business relationship with its majority shareholder and its group**

Amundi has commercial relationships with companies in the Crédit Agricole group. Crédit Agricole group is a distributor of Amundi's financial products, a lender and borrower, a derivative counterparty and also a depositary and calculation agent. In addition, Crédit Agricole group makes certain resources available to Amundi and manages Amundi's end-of-career allowance insurance. On other hand, Amundi handles asset management and certain mandates for the Crédit Agricole Group (in particular for its insurance division) and also provides account management services for the Crédit Agricole Group's employee savings mechanisms.

Amundi's interest may not always be aligned with the interests of the Crédit Agricole Group. Although the two groups have put in place control systems to ensure that any conflicts of interest do not have a negative impact on the business or results of either group, Amundi can provide no guarantee that such systems will be able to anticipate and handle all conflicts.

The system for managing risks relating to Amundi's organisational structure is described in section 5.2.4 "Risks across business lines".

### 5.2.4.6 TAX RISK

As an international group operating in multiple jurisdictions, Amundi has structured its commercial and financial activities in accordance with the diverse regulatory requirements to which it is subject and its commercial and financial objectives. Since tax laws and regulations in the various jurisdictions in which Amundi entities are located or operating may not always provide clear-cut or definitive guidelines, the Group cannot guarantee that such interpretations will not be questioned by the relevant tax authorities. More generally, any failure to comply with the tax laws or regulations of the jurisdictions in which Amundi entities are located or operating may result in adjustments, late payment interest, fines or penalties.

Furthermore, the tax laws and regulations may change and there may be changes in their interpretation and application by the relevant authorities, especially in the context of international or European Community initiatives. The occurrence of any of the preceding factors may result in an increase in Amundi's tax burden and/or have a material adverse effect on its business, its financial condition and its earnings.

# 5.3 RISK MANAGEMENT SYSTEM

## 5.3.1 Internal control and risk management system

Amundi's internal control system notably complies with the provisions of the French Monetary and Financial Code (Article L. 511-41), the Order of 3 November 2014 concerning the internal control of companies in the banking, payment services and investment services sector, which are subject to regulation by the *Autorité de contrôle prudentiel et de résolution* (ACPR), the AMF General Regulation and guidelines on corporate governance, particularly those issued by the European Banking Authority and the Basel Committee. Its structure also conforms to the guidelines laid down by Crédit Agricole S.A. and the Crédit Agricole Group, which are aimed at ensuring a consolidated approach to risks in connection with the controls carried out by the Group, the majority shareholder. These external guidelines are supplemented by Amundi's own charters, standards and internal procedures in the areas of risk control, including IT and accounting, compliance checks and internal audit.

This internal control system applies globally to all Amundi Group entities (excluding joint ventures in which Amundi is the minority shareholder) and covers the management and control of activities, as well as the measurement and monitoring of risks. The system implemented by Amundi is adapted to suit the various operational units and subsidiaries depending on their specialist areas, and particularly with regard to their regulatory obligations.

The Board of Directors defines the risk appetite framework and the risk limits applicable to the Group. The governance of the internal control system stipulates that the Board of Directors' Risk Management Committee is to systematically report back the results of controls and significant incidents in light of this framework.

The resources, tools and reports deployed in this regulatory environment enable regular information to be given to the Board of Directors and to Senior Management on the functioning of the internal control system and its adequacy with regard to the Group's risk profile.

### 5.3.1.1 FUNDAMENTAL PRINCIPLES

Amundi's internal control system is based on the following fundamental principles:

- systematic reporting to the Board of Directors in relation to the risk management framework, the monitoring of set limits, the activities and results of audits carried out by the various parts of the internal control system, as well as significant incidents;
- direct involvement of Senior Management in the organisation and functioning of the internal control system;
- comprehensive coverage of activities and risks;
- a clear definition of responsibilities, the effective segregation of the commitment and control functions, through a system of formal, up-to-date delegations.

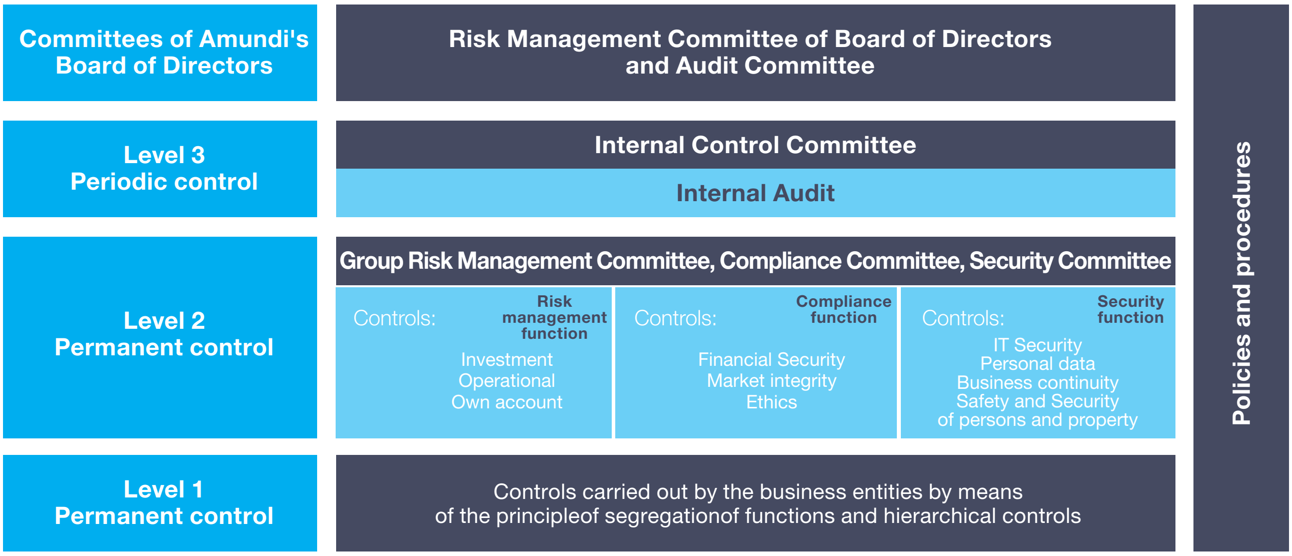
The design of the internal control system relies on two main cornerstones:

- systems for the measurement, monitoring and control of risks: financial risks, operational risks (operational processing, accounting and financial information, information systems), legal risks and compliance risks;
- a system of controls, including permanent controls carried out directly by the business entities or by dedicated officers, and periodic checks carried out by Internal Audit.

The internal control system is based on Level 1 permanent control, Level 2 permanent control is ensured by the Risk, Compliance, and Security functions and periodic control is performed by Internal Audit. It covers all of the Group within France and internationally, except for the joint ventures in which Amundi holds a minority interest.

### 5.3.1.2 DUTIES OF THE CONTROL FUNCTIONS

**Layout of the internal control system**




#### Level 1 – Permanent control

This is the foundation of internal control It is implemented by all business units under their hierarchy.

Level 1 Permanent Control is designed to ensure respect for internal procedures in relation to the operational processes, and their compliance with current laws and regulations, professional standards and codes of conduct. It makes it possible to prevent or detect all risks generated by Amundi's activities.

The executives of the operational units are individually responsible for managing the risks associated with their activities. They are responsible for the definition, efficient deployment and regular updating of the Permanent Control system within their units.

The control system takes the regulatory framework and internal procedures into account. It is understood that these procedures must evolve and be adapted to our clients' expectations. They must take into account improvements that are expected in relation to incidents that have occurred or that are undesirable, as well as recommendations made by Internal Audit.

The operational units obtain the resources necessary to perform these controls and regularly communicate the results to the Department to which they report, the Risk Management Department, Compliance Department, and the Security Department.

They prepare reports to their hierarchy at least once a year, which include a list of the key indicators and controls used to monitor the risks to which they are exposed, as well as a summary of the results of the controls carried out.

In the event of the significant deterioration of a risk, the operational units alert their hierarchy without delay, as well as the control functions.

The quality and relevance of the Level 1 controls as well as the effective reporting of their results to Level 2 control functions is an essential factor in the effectiveness of Level 2 controls.

#### Level 2 – Permanent control

Level 2 Permanent Control is performed jointly by three control functions, which are independent from the operational units:

- the Risk Management function;
- the Compliance function;
- the Security function.

These three functions carry out Level 2 controls. They are also collectively responsible for the cooperative and coordinated management of the entire Permanent Control system in order to verify that it provides comprehensive coverage of the risks to which Amundi is exposed. These control functions report to the Second Executive Director of the Company, the Head of the Business Support and Control Division of Amundi.

#### Coordination within Amundi as a whole

Amundi's Risk Management, Compliance, and Security Departments are responsible for the overall oversight of the Permanent Control system of the Amundi Group. Accordingly, they define the roll-out approach and principles within the Group's various entities. They coordinate the control plans and respectively organise the reporting of the results.

The Risk Management, Compliance, and Security functions act in a collective and complementary manner in their respective fields of competence by ensuring the consistency and effectiveness of the controls carried out by the operational departments.

The Risk Management, Compliance, and Security functions take the Level 1 controls conducted by the business lines and the resulting reports into account in defining their own Level 2 controls. The frequency of these Level 2 controls and their completeness depend on the risk analysis completed by each of the relevant functions (Risk Management, Compliance, and Security).

The control functions cannot take the place of operational departments in the completion of Level 1 controls.

**The Risk Management function** is responsible for managing risks, excluding non-compliance risks and those linked to the information system to which Amundi is exposed on its own account and as manager on behalf of third parties.

In this regard, the Risk Management function:

- continuously checks that the company and its clients are not exposed to financial risks beyond their risk tolerance;
- ensures that investment constraints are respected;
- checks that operational risks are controlled.

**The Compliance function** is responsible for monitoring non-compliance risks and continuously ensures compliance with regulatory and ethical requirements in terms of:

- market integrity;
- financial security;
- the protection of the interests of investors and clients;
- professional ethics;
- prevention of fraud and corruption.

In this context, the Compliance function also has the goal of ensuring that employees are continuously being trained on these topics.

**The Security function** is responsible for monitoring risks associated with the information system (IT infrastructure, applications and data) as well as risks relating to personal data protection (under the European regulations on the handling of personal data and the free circulation of these data), business continuity, and the protection of persons and property.

#### Consolidated indicators for the Crédit Agricole Group

The Crédit Agricole Group has established a set of key indicators (classified as 2.2c controls) in various fields, which include: Credit risk, financial risk, accounting risk, non-compliance risk, business continuity plan, security safety prevention, IT risk, and operational risk.

An individual responsible for each category is appointed within the Amundi to establish the relevant indicators using the 2.2c indicators proposed by Crédit Agricole SA as a methodological benchmark. This is done for all Amundi Group entities. This individual retains the audit trail of the controls completed and the results obtained.

Amundi's Risk Management Department is in charge of coordinating the collection and consolidation of the results of the controls carried out based on indicators defined by the individuals responsible for each category on behalf of Amundi, and providing them to Crédit Agricole SA.

#### Level 3 controls

Amundi's Internal Audit is in charge of the Group's periodic control; it ensures the lawfulness, security and effectiveness of all operations and risk management activities across all Amundi entities. It intervenes *via* audit plans approved by the Board of Directors' Risk Management Committee to cover the activities at frequencies appropriate to the risks of each activity. Each audit results in a report and recommendations, to which the audited entities respond. The effective implementation of recommendations is monitored twice yearly by Amundi's Internal Audit. The General Audit Department of Crédit Agricole S.A. also carries out audits on the Amundi Group.

## 5.3.2 Governance (audited)[(1)]

On proposal by Senior Management, the Board of Directors approves the risk appetite at Amundi consistent with Amundi's defined strategy.

Governance of internal control at Amundi is organised around:

- the Risk Management Committee and the Audit Committee, controlled by the Board of Directors;
- four Senior Management Committees to which Senior Management actively contributes, and which are described below.

In addition, Senior Management is informed of the Group's risk situation and sensitive cases on a monthly basis. It ensures that the internal control system is subject to constant monitoring to verify its adequacy and effectiveness. Senior Management is informed of the main malfunctions identified and the corrective measures applied.

The Board of Directors:

- on proposal by Senior Management, approves the risk appetite in view of the Group's defined strategy;
- is informed at least twice a year, through presentations by Senior Management regarding the consolidated risk situations and results of the Group, of the status of the risk monitoring and internal control system and the results of the activity and internal control.

In addition, the Board of Directors is informed of significant incidents that exceed certain thresholds, which are reviewed annually by the Risk Management Committee of the Board of Directors. Lastly, it reviews the annual report on internal control once a year.

### 5.3.2.1 INTERNAL CONTROL COMMITTEES

#### Internal Control Committee

The Internal Control Committee, chaired by the Head of the Business Support and Control Division, ensures the consistency, effectiveness and completeness of the internal control system and coordinates Periodic Control, Permanent Control, Risk Control, Compliance and Security activities. Other members of this committee include Amundi's Head of Risk Management, Head of Compliance, Head of Security and Director of Audit Inspection. It meets 11 times a year.

The duties of the Committee include:

- assessing the internal control plan and the control system implemented;
- examining the major risks of any kind to which Amundi is exposed and changes to the risk and performance measurement systems, and ensuring the adequacy of the internal control system to correctly oversee these risks;

(1) *Information bearing the word "Audited" is an integral part of the notes to the consolidated financial statements in terms of the information required by IFRS 7 and is covered by the statutory auditors' report on the consolidated financial statements.*

- making any decision necessary to remedy weaknesses in the internal control system;
- monitoring the execution of decisions made as a consequence of internal and external audits;
- deciding on corrective measures for shortcomings revealed by the audits as well as by the operating and control reports given to those responsible for the control or management functions of the entity.

**Risk Management Committee**

Amundi's Risks Management Committee, chaired by the Head of the Business Support and Control Division, is the main risk governance body for the Amundi Group. It meets 11 times a year.

The objectives of the Committee are to set the risk management policy governing all Amundi Group entities (risks taken on behalf of third parties and on its own account). Accordingly, it has complete authority to:

- define Amundi's risk policy;
- validate the management strategies and investment processes;
- approve the methodologies for calculating risk indicators;
- approve credit and counterparty limits;
- set overall limits;
- make decisions about the funds' use of new financial instruments;
- determine the risk framework for each product and activity;
- review the findings of audits performed;
- make the decisions necessary to resolve any exceptions discovered.

Decisions of the Group Risks Committee apply to all Group entities.

The Group Risk Management Committee delegates its specific authorities to a number of subcommittees. Thus:

- the Valuation Committee sets the valuation policy;
- the Credit Committee approves the per issuer limits on supervised funds and own account and counterparty limits on all funds;
- the Operational Risk Management Committee handles the monitoring of incidents related to operational processes and defines the measures to enhance these processes.

The local Risk Committees, chaired by the local CEO, have the authority to adapt the policy framework applicable to investments to particular local regulations or market conditions, though always in keeping with the decisions of the Group Risk Management Committee. These committees meet at least quarterly.

**Compliance Committee**

The Amundi Compliance Committee, chaired by the Head of the Business Support and Control Division, sets the compliance policy and approves and monitors the compliance action plan. It meets 11 times a year.

The non-compliance risk control system, including anti-laundering and terrorism financing prevention, is reviewed every month by the Compliance Committee. During these meetings, the results of the audits performed are commented on and any corrective measures are decided. The Committee validates the non-compliance risk mapping and the Compliance audit plan, which is reviewed annually.

At the entity level, the local Compliance Committee is the main governance body concerning compliance. The main topics taken up are the results of the compliance audits, watch on new regulations, major actions or plans under way and a periodic review of training and complaints.

The annual compliance report as well as the Compliance Audit Plan are presented to the Committee for review and validation.

**Security Committee**

The Security Committee, chaired by the Head of the Amundi Business Support and Control Division, ensures the oversight of the security of property and persons, information systems, the business continuity and crisis management plan, as well as the protection of personal data. It meets four times per year.

**Specialised committees**

In addition, the following specialised committees have been established:

- the Products and Services Committee, which examines and approves each proposal to create or modify new products and services;
- the Seed Money Committee, which examines and approves on a case-by-case basis the seed money investments or any other type of support needed;
- the Financial Management Committee, which analyses the financial risks borne by the Group (such as liquidity, foreign exchange and overall interest rate) and makes any decision to optimise the structure of the balance sheet and limit the financial risks directly borne by the Group.

### 5.3.2.2 RESOURCES

Senior Management defines the general organisation of the Company and ensures that it is effectively implemented by competent individuals. It clearly allocates the roles and responsibilities with regard to internal controls and allocates the necessary resources.

At the end of 2018, the workforces of the various business lines were as follows[(1)]:

| *In FTE* | 2018 |
|---|---|
| Risk Management Department | 212 |
| Compliance Department | 100 |
| Security Department | 28 |
| Internal Audit | 38 |

*(1) Workforce according to Senior Management vision, which may be different than the Business Line vision.*

## 5.3.3 Organisation of audit functions and systems

### 5.3.3.1 RISK MANAGEMENT FUNCTION

Within the Risk Management business line, Amundi deploys measures to identify, measure and monitor its risks, in line with its activities and organisation. These measures form an integral part of the internal control system. The scope covered includes operational risk, market risk, credit and counterparty risk, legal risk, etc.

Amundi has implemented an organisation for the management of risks, which is based on a high level of integration of the Risk Management business line across the whole of the Amundi Group, with the following objectives:

- uniformity of the risk control processes;
- the pooling of resources adapted to suit the various entities;
- a high level of employee expertise, by means of dedicated centres of competence.

#### 5.3.3.1.1 Organisation of the Risk Management business line

The Risk management business line employs a matrix organisation consisting of:

- cross-business Risk Management Departments, which determine the broad methods of controlling and monitoring risks related to the way funds are managed and provide oversight on these risks. The goal of these departments is to integrate all risk and performance factors and indicators for each fund analysed and to ensure the internal consistency of these indicators and their suitability to a fund's objectives. Within these departments, Senior Risk Managers (SRM) consult with Senior Investment Managers to oversee the risks of each asset class managed;
- in each subsidiary that manages assets, a Risk team oversees the risks and reports functionally to a department head;
- teams specialised by field of expertise and brought together in a dedicated department whose mission is to ensure consistency across business lines of the approach taken for each type of risk. The main missions of this department are to define the standards and methods for measuring risk, produce the risk indicators and provide expertise in applying these measurements to the portfolios;
- the department is organised around the following seven areas of expertise:
  - implementation and administration of the monitoring software for regulatory and contractual constraints,
  - measurement and attribution of performance,
  - calculation of credit and market risk indicators, definition and control of the valuation policy,
  - oversight of the control system for operational risks, accounting risks and information system risks, as well as co-ordination of the work done on permanent control at the consolidated level,
  - establishment of a list of authorised counterparties and for certain managed portfolios, setting of issuer limits,
  - the control and implementation of solutions for the Risk Management function and cross-business projects,
  - establishment of a list of authorised counterparties for all managed portfolios and the setting of per issuer limits for certain managed portfolios;
- a dedicated team in charge of overseeing the operational risk monitoring framework. Its main role is to:
  - map operational risks at the Amundi level,
  - collect information about operational incidents,
  - monitor all action plans designed to mitigate these risks,
  - contribute to calculating the capital requirement,
  - contribute to the permanent control system,
  - oversee risks linked to the information systems.

Amundi takes a comprehensive approach to managing operational risk. All teams and managers are involved in managing operational risk.

To make risk monitoring more consistent, the risk management information system is shared by all entities within the internal control scope, including the following applications:

- applications for managing constraints and risk limitations;
- applications for measuring market risk;
- systems for performance measurement and attribution.

Periodic reports are given to Senior Management and to the Board of Directors on the controls carried out by the Risk Management function. In 2018, Senior Management was regularly updated by:

- the Risk Management function's Monthly Scorecard, which provides a detailed review of the Group's exposure to various risks, and sensitive matters;
- the update given by the Head of Risk Management to the Executive Committee; and
- the Risk Management function's various governance committees, in which Senior Management takes part, including Amundi's Risk Management Committee, which is the head committee of the Risk Management system.

The Board of Directors also receives regular information through presentations given by the Risk Management Committee, which cover:

- the risk management system, its current state and any changes thereto; and
- a summary of risks, changes in risks, the level of the main risk limits and usage of those limits.

#### 5.3.3.1.2 Improvement and adaptation of the risk monitoring system in 2018

Work on improving and adapting the risk monitoring system continued in 2018, based on three main areas:

- continued consolidation of the Risk Management teams from Pioneer into the scope of the Risk Management business line:

  - ongoing standardisation of the Group's Risk procedures for this consolidation,
  - IT migrations (migration of Czech Republic in March, UK and Ireland in May and September and Italy in June and September 2018);
- the reinforcement of the security of investment management activities, which took the form of:
  - deployment of the management tool for constraints to all Group entities,
  - re-establishment of key quantitative and qualitative permanent controls carried-out by the Risk Management Manager at Level 2.2.,
  - establishment of a global performance allocation platform incorporating a contributions tool making it possible to calculate a fund's contribution to performance on a daily basis,
  - revision of the GIPS components as part of service improvement and in view of the roll-out of a new tool in 2019;
- alignment of the organisation of the Risk Management teams to support changes in the Group scope, including:
  - continuation of the migrations of entities in the Asia region (Hong Kong, Singapore),
  - review of the Permanent Control Procedure to take the Security Department into account in the permanent control system,
  - continuation, under Amundi Services, of the development of services sold to third-party clients in terms of the production of indicators and risk management.

In the context of the application of the EMIR regulation, 2018 was devoted to the establishment of the sub-contracting of collateral management by CACEIS.

### 5.3.3.2 COMPLIANCE FUNCTION

In accordance with the principles set out in the regulations, the Compliance Department is responsible for preventing and containing non-compliance risk through a set of rules that apply within Amundi, designing training campaigns to promote a thorough understanding and a proper implementation of the rules, and setting up an appropriate, adapted control system.

The Compliance Department warns staff about the risks of penalties and helps protect the Company's image and reputation, and that of its executives.

Within the Amundi Group, Compliance Management is organised as a business line. The Compliance teams of the subsidiaries report hierarchically to the Senior Management of the subsidiaries concerned, and report functionally to the Amundi Compliance Director.

In this context, the Compliance teams:

- carry out regulatory monitoring adapted to their activities;
- implement a set of common Group rules (Compliance Manual);
- carry out controls tailored to the risks incurred according to a plan approved by Senior Management, within the Compliance Committee chaired by the Head of the Business Support and Control Division;
- ensure that any irregularities are corrected;
- report any compliance incidents occurring during the period to the Compliance Committee.

In 2017, Senior Management was updated on Compliance matters as follows:

- monthly, at Compliance Committee meetings, during which the results of controls performed by Compliance were presented;
- annually, *via* the annual report on the management of compliance risks.

In addition, with regard to the 4th Directive, the Group has enhanced its Know Your Customer process ("KYC").

The Board of Directors receives regular information through presentations given by the Risk Management Committee, which cover:

- the system for managing compliance risks (including compliance risk mapping);
- the control plan and the results of controls.

The anti-corruption system applied throughout the Group was awarded ISO 37001 certification in 2018.

In connection with Amundi's stock market listing, the system for managing conflicts of interest was adapted as follows:

- a Charter of Market Ethics was drawn up, and presented to the Board of Directors;
- a policy has been introduced restricting the holding of Amundi shares in portfolios managed on behalf of third parties and for its own account;
- the mapping of conflicts of interest has been updated.

With 100 staff across the business line, Compliance's independence is ensured by the fact that it reports hierarchically to Senior Management. Compliance functions are independent of operational functions.

### 5.3.3.3 SECURITY FUNCTION

The Security Department is organised in a centralised fashion while still relying on coordination cells or local correspondents. It combines divisions with different types of expertise in charge of the security of persons and property, business continuity, information systems security or personal data protection.

The resources dedicated to the security of information systems (IS) are separated from the IT Department. This team is tasked with defining the security policy for IS, managing its proper execution as well as implementing a strategy to anticipate and prevent any breaches to the integrity, confidentiality, availability or traceability of the overall system. It is also responsible for protecting the information systems, detecting any nefarious actions or actions contrary to internal policy and responding to said actions.

The IT risk control function is based on Level 1 and Level 2 permanent controls (including vulnerability scans and regular penetration tests), a monthly committee, the IT Security Steering Committee, and the Security Committee, which meets four times a year.

Based on the disaster scenarios defined by the Crédit Agricole Group, the Amundi individual in charge of BCP ensures that all Amundi entities apply the prevalent policy in terms of business continuity by adapting it as needed to the local legal and regulatory constraints. The results of the control plan are presented to the Security Committee.

### 5.3.3.4 PERIODIC CONTROL

The Amundi Internal Audit Department reports hierarchically to the Crédit Agricole S.A. General Audit Department and operationally to Amundi's Senior Management. The Periodic Control system includes a central Internal Audit team, which covers the entire Amundi scope, and decentralised Internal Audit teams in several of its subsidiaries, which report to local management and to Amundi's Head of Internal Audit.

Integrated within the Internal Audit business line of Crédit Agricole S.A., the majority shareholder, Amundi's periodic control system is based on the tools and methods of the Crédit Agricole Group, in particular with regard to audit mapping, the planning and conduct of audits, monitoring implementation of recommendations issued and reporting on follow-up to its work.

The audit plan is drawn up on the basis of a multi-year audit program based on the mapping of the Amundi Group's risks. It also factors in requests from Amundi's Senior Management, the Internal Audit business line of Crédit Agricole SA and the Board of Directors' Risk Management Committee. The objective of the multi-year program is to cover the audit scope (which is based on the monitored entities scope) over a maximum of five years, and with an average frequency of three years.

Internal Audit conducts half-yearly checks to monitor the implementation of all recommendations, as well as ensuring quarterly follow-up of some important recommendations. All work carried out by Amundi Internal Audit, the Crédit Agricole S.A. General Audit Department and by supervisory authorities are subject to this formal monitoring system, which ensures remedial actions are implemented within deadlines agreed with the entity's management at the conclusion of the audit. The system also enables the Head of Internal Audit to issue alerts to the Board when necessary, as set out in Article 26 of the Order of 3 November 2014.

The 2018 audit plan was fully executed and audit conclusions presented to the General Management and Board Risk Management Committee, which were also updated on progress made on implementing the recommendations.

The approach followed by Amundi's Internal Audit function is subject to an ongoing quality improvement process and has been certified by IFACI since 2015.

### 5.3.3.5 SPECIFIC INTERNAL CONTROL SYSTEM FOR ACCOUNTING AND FINANCIAL INFORMATION; ROLE AND RESPONSIBILITY IN THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

Subject to the authority of Senior Management, Amundi's Finance Department is responsible for preparing the accounting and financial information. In particular, the Finance Department:

- draws up the consolidated financial statements in accordance with the IFRS and the accounting rules and principles defined and distributed by the Crédit Agricole Group;
- prepares the financial statements of each entity in accordance with current local accounting standards;
- prepares the various regulatory, prudential and fiscal reports;
- produces the various pieces of management information necessary for control of the activities;
- ensures that Amundi's financial communications are issued to investors.

**Permanent controls on accounting and financial information**

The control of accounting and financial information within the Finance Department is based on checks carried out on the one hand by the Accounting, Management Control and Cash Management teams, and on the other, by an accounts auditing unit attached directly to the Finance Department. This system is supported by permanent accounting controls provided by an independent team linked to the Risk Management function.

The permanent accounting control objectives are designed to ensure adequate coverage of the major accounting risks, which could alter the quality of the accounting and financial information in terms of:

- compliance of data with regard to the legal and regulatory provisions, and the standards of the Crédit Agricole Group;
- reliability and accuracy of the data, so that it provides a true picture of the results and financial position of Amundi and of the entities within its consolidation scope;
- security of the data preparation and processing procedures, limiting the operational risks with regard to Amundi's commitment to the information published;
- prevention of the risk of fraud and accounting irregularities.

The permanent controls on the accounting and financial information are based on an evaluation of the risks and controls of the accounting processes managed by the operational units. In particular, the risks monitored by the Risk Management Department, especially those related to the off-balance-sheet commitments, are reconciled with Accounting, in order to ensure that the information is complete and is properly evaluated in the financial statements.

The Head of Amundi's Permanent Accounting Control ensures that any corrective actions are implemented in order to reinforce the system of permanent accounting controls.

**Relations with statutory auditors**

In accordance with current professional standards, the statutory auditors carry out work as they deem necessary on the accounting and financial information published:

- audit of the statutory and consolidated financial statements;
- a limited audit of the half-yearly consolidated financial statements;
- a reading of all the supporting materials for the published financial information.

As part of their legal mandate, the statutory auditors present their findings to the Audit Committee and to Amundi's Board of Directors.

## 5.3.4 Brief statement concerning risks

*(Statement prepared in accordance with Article 435(1) (f) of EU Regulation No. 575/2013 and approved by the Amundi Board of Directors on 12 February 2019)*

Risk appetite at Amundi means the type and aggregate level of risk, by nature of risk and by activity, that Amundi is prepared to assume in light of its strategic objectives. Amundi defines its risk appetite by including the essential dimensions of its business: the attractiveness of the products it offers, the strength of its financial position and the pursuit of its short and long-term profitability objectives.

The formalisation of Amundi's risk appetite is instructive for Senior Management and the Board of Directors as they plan out the Group's development trajectory and how that translates into each business line's strategy.

This formalisation is the result of a coordinated and shared effort among the Finance, Risk Management and Compliance Departments and has as its goal:

- to engage the Directors of the Board and Senior Management in discussions and conversations about risk-taking;
- to formalise, standardise and specify the acceptable level of risk (framework of standards) that pertains to a given strategy;
- to fully integrate the risk/return relationship into the strategic management and decision-making process;
- to have at hand sophisticated indicators and alert thresholds enabling Senior Management to anticipate an excessive deterioration in strategic indicators and to improve resilience by employing certain mechanisms in the event an alert level is reached as compared to standard risk appetite;
- to improve external communications with third parties, regulators and investors concerning stability of results and containment of risk.

Amundi's risk appetite framework for the 2018 financial year was defined during the Board of Directors meeting of 13 December 2017. It was regularly reviewed during the year in order to adapt it to regulatory changes and to Amundi's profile.

### PROCESS FOR FORMALISING THE RISK APPETITE FRAMEWORK

In line with the Group's policy, Amundi expresses its risk appetite in terms of key indicators, broken down into three levels of risk:

- **appetite** refers to the normal, recurring management of risks. This is expressed in terms of budget objectives in terms of solvency, liquidity and profitability, as well as operational limits pertaining to market, ALM and credit risks, which, if breached, are immediately flagged and handled by Senior Management;
- **tolerance** refers to managing a deteriorated risk level on an exceptional basis. When tolerance thresholds are breached, this immediately triggers a report to the Chairman of the Risk Management Committee of the Amundi Board of Directors and, when appropriate, the Board of Directors itself;
- **capacity** refers to the maximum level of risk that Amundi could theoretically assume without violating its operational or regulatory constraints.

When these thresholds are breached, the oversight bodies of the Company are informed in proportion to the level of risk incurred.

Furthermore, while as part of its strategic plan Amundi chooses most of its risks, certain risks such as operational risks and some non-compliance risks are going to be incurred, even though protective measures and the control system may limit their occurrence and their possible consequences. Amundi's appetite for any voluntary act that might create an operating loss or a violation of regulations and professional standards is quite obviously zero.

### KEY INDICATORS IN THE RISK PROFILE AT 31 DECEMBER 2018

Amundi uses ten key indicators to express its risk appetite and risk profile:

- four broad indicators of risk exposure:
  - total Risk Weighted Assets (RWA) within the meaning of Regulation CRD IV. At 31 December 2018 Amundi's phased-in RWA stood at €10,949 million,
  - RWA in terms of credit risk (excluding threshold allowances and CVA), which at 31 December 2018 stood at €4,522 million,
  - RWA in terms of operational risk, which at 31 December 2018 was €4,459 million. This indicator shows the effect of controls and oversight whose purpose is to reduce the impact of operational risk to the incompressible minimum,
  - the CET1 solvency ratio, which at 31 December 2018 stood at 13.2%;
- two liquidity indicators:
  - the Gearing or Debt ratio (net debt/tangible shareholders' equity): at 31 December 2018 the Gearing ratio was -2%,
  - the liquidity coverage ratio (LCR): Amundi's LCR at 31 December 2018 was 210%;
- four profitability indicators:
  - cost of risk, which takes into account operational risk, credit risk (particularly the default by an issuer or counterparty that may affect Amundi) and, where applicable, any market risk arising from the management of guaranteed funds; Amundi's cost of risk for the 2018 financial year was €11.2 million,
  - cost of operational risk, which for the 2018 financial year stood at -€5.2 million (of which €8.8 million in provision reversals),
  - cost-to-income ratio, which reached 55.3% for the 2018 financial year, from an accounting point of view including the Pioneer integration costs,
  - net income Group share, which for the 2018 financial year amounted to €855 million, including the Pioneer integration costs.

For the 2018 financial year and at 31 December 2018, the various key indicators of the risk profile were situated within the acceptable risk range defined by Amundi and did not reach their tolerance thresholds.

# 5.4 SOLVENCY AND CAPITAL ADEQUACY

## 5.4.1 Solvency ratio

### APPLICABLE REGULATORY FRAMEWORK

As a credit institution, Amundi is subject to French prudential regulations, which implement in French law the provisions of the European directive on 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 European 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 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.

### MINIMUM REGULATORY REQUIREMENTS

The requirements for Pillar 1 are governed by the CRR regulation. The regulator also sets, on a discretionary basis, minimum requirements under Pillar 2.

#### Minimum requirements of Pillar 1

- capital ratios before buffers: minimum phased-in CET1 has been set at 4.5% since 2015. Similarly, the minimum Tier 1 requirement was increased to 6% in 2015 and for subsequent years. Lastly, the minimum total capital requirement on a phased-in basis was 8% in 2015 and will remain so for the coming years;
- in addition to these requirements are capital buffer requirements that must also be met and applied in stages:
  - the capital conservation buffer (2.5% of risk weighted assets in 2019),
  - the countercyclical buffer (between 0 and 2.5% of risk-weighted assets),
  - systemic risk buffers (generally between 0% and 3%, and up to 5% with European Commission approval, and more exceptionally over 5%) and for global systemically important banks (G-SIBs) (between 0% and 3.5%) or other systemically important institutions (O-SIIs) (between 0% and 2%). These buffers are not cumulative and, generally speaking, with some exceptions, only the highest will apply. Only the Crédit Agricole Group belongs to the systematically important institutions category; Amundi does not fall under these categories;
- these buffers became effective in 2016 and must be covered by CET1 capital. The capital conservation buffer and the systemic risk buffers are applied in progressive annual increments until 2019 (50% of the buffer requested in 2018, 75% in 2018).

#### Minimum requirements of Pillar 2

Amundi has been notified by the European Central Bank (ECB) of new capital requirements applicable following the results of the Supervisory Review and Evaluation Process ("SREP").

Since 2017, the ECB has changed the methodology used, splitting the regulatory requirements into two parts:

- a "Pillar 2 Requirement" (P2R). This requirement applies to all levels of capital and must be entirely made up of Common Equity Tier 1 capital (CET1). Non-compliance with this requirement will automatically result in restrictions on distributions (additional Tier 1 capital instrument coupons, dividends, variable compensation). Consequently, this requirement is published;
- a "Pillar 2 Guidance" (P2G). This requirement is not currently published.

Amundi must therefore, at 31 December 2018, meet a minimum consolidated CET1 ratio of 7.88%, during the transitional phase (phased-in), or 8.50% fully loaded. These levels include the requirements of Pillar 1, Pillar 2 P2R, the phased-in capital conservation buffer and the countercyclical buffer.

In 2019, Amundi will have to comply with a minimum consolidated CET1 ratio of 8.64% while taking into account the entry into effect of the French countercyclical buffer at 1 July 2019.

### CAPITAL RATIOS AT END-2018

At 31 December 2018, Amundi's overall phased-in solvency ratio was 15.9%, compared to 15.3% in 2017, an increase due to profits placed in reserve and partially offset by the increase in risk weighted assets related to operational risk in view of the convergence toward Basel IV; it is identical fully loaded.

The phased-in CET1 ratio stood at 13.2% (13.2% fully loaded), significantly higher than under P2R.

The reconciliation of accounting equity and regulatory capital is presented in section 4.4.3 of this Registration Document.

Figures are shown in section 5.5 below.

To facilitate compliance with CRR/CRD4 by credit institutions, some flexibility was granted on a temporary basis, particularly the gradual introduction of new regulatory treatments for capital. All temporary measures ended on 1 January 2018. As a result, at 31 December 2018, fully loaded common equity CET1 capital is equal to the phased-in capital.

In view of the fact that data at 31 December 2017 are presented in this document, the main temporary measures existing at that date are noted under the following five points:

- the filtering of unrealised gains on investment portfolio items and equity recognised as available-for-sale financial assets (80% at end-2017);
- the gradual deduction of CET1 instruments held in financial entities constituting investments where the percentage holding is less than 10%: the residual amount of the share exceeding the allowance for these investments was 80% deducted at the end of 2017 (100% in subsequent years). The items covered by the allowance are weighted at 100%, as above;
- the gradual deduction of deferred tax assets that rely on future profitability related to temporary differences: the amount exceeding the double allowance, partially aggregated with financial investments of over 10% was 80% deducted at the end of 2017 (100% in subsequent years). The items covered by the allowance are weighted at 250%, as above;
- the gradual deduction of deferred tax assets that rely on future profitability related to tax loss carry forwards: the amount was 80% deducted at the end of 2017 (100% in subsequent years);
- the gradual deduction of CET1 instruments held in financial entities constituting significant investments (percentage holding above 10%): the residual amount of the share exceeding the allowance for these investments was 80% deducted at the end of 2017 (100% in subsequent years). The items covered by the allowance are weighted at 250%, as above.

Amundi applies IFRS 9 to financial instruments since 1 January 2018. This standard is being applied retrospectively. Accordingly, the impacts associated with the new classification and measurement principles for financial instruments and the writing down of credit risk were all taken into account with regard to Amundi's capital. These impacts are not material for Amundi.

For credit risk purposes, risk-weighted assets are calculated using the standardised method set out in the regulations. In practice, for the three main types of exposure:

- for the investment portfolio, risk weighted assets are calculated on a transparent basis, taking into account assets actually held by the funds in which Amundi invests; risk weighted assets related to these underlying assets are valued for regulatory purposes using the standardised method;
- for guarantees given to funds, risk weighted assets are also calculated using the standardised approach with respect to recognition of the guarantee mechanism. The assets held by the funds benefiting from the guarantees are then estimated on a transparent basis using the standardised approach;
- for Amundi Finance's derivatives transactions, risk weighted assets are valued at their market value.

In 2018, €818 million in risk weighted assets were calculated for market risk, mainly linked to structural unhedged foreign exchange exposures. At the end of 2018, Amundi received the ECB's permission to take into account deductions linked to goodwill and financial stakes for exposures denominated in US dollars and Chinese yuans.

Capital requirements for operational risk are partially calculated using the advanced measurement approach (AMA) developed by Crédit Agricole Group and used by Amundi. Use of the AMA was approved by the *Autorité de contrôle prudentiel* in 2007 and then confirmed in 2010.

The AMA model for capital calculation is based on an actuarial Loss Distribution Approach model, taking into account both internal and external factors.

Internal factors (change in the entity's risk profile) include:

- changes in the entity's organisational structure, change in risk profile of the business and risk mapping, change in internal losses;
- quality of the risk management system and, in particular, the permanent control system.

As regards external factors, incidents occurring in other credit institutions are monitored based on external data, leading when necessary to adjustments to the stress scenarios used in the model.

In terms of type of operational risk, Amundi is mainly exposed to execution, delivery and process management risk and risk related to clients, products and business practices.

At 31 December 2018, a supplement was added to the risk weighted assets for operational risk from the perspective of convergence toward Basel IV.

Finally, concerning the large risks ratio, Amundi's biggest exposure was €341 million at end-2018, in compliance with the 25% threshold of total regulatory capital.

## 5.4.2 Leverage ratio

Article 429 of the CRR, setting out the terms and conditions relating to the leverage ratio, was modified and replaced by Delegated Regulation No. 62/2015 of 10 October 2014. The delegated regulation was published in the Official Journal of the European Union on 18 January 2015.

Publication at least once per year has been mandatory since 1 January 2015; institutions may choose to publish a fully loaded ratio, a phased-in ratio or both.

A leverage ratio observation period, between 1 January 2014 and 1 January 2017, was intended to allow for the monitoring of the components as well as the behaviour of this ratio against the requirements based on these risks.

The implementation of Pillar 1 is staggered and may take place as part of its transposition in CRR2.

A two-tier leverage ratio requirement is recommended by the Basel Committee: this could be 3% for non G-SIBs, and 3% plus half of the entity's systemic buffer for G-SIBs.

The leverage ratio is the ratio of a bank's CET1 to its total exposures, *i.e.* total assets plus off-balance sheet items after certain restatements for derivatives, intra-group transactions, financial securities transactions, items deducted from the numerator and off-balance sheet items.

Amundi's leverage ratio was 8.1% at 31 December 2018, compared to 7.5% at end-2017 on a phased-in Tier 1 basis.

| *In € millions* | **31/12/2018** | **31/12/2017** |
|---|---|---|
| Tier 1 capital* | 1,440 | 1,182 |
| Exposure | 17,716 | 15,825 |
| **LEVERAGE RATIO** | **8.1%** | **7.5%** |

* *Phased-in at 31/12/2017.*

## 5.4.3 Economic capital management

With a view to always retaining adequate equity to hedge the risks to which it is exposed, Amundi supplements the capital requirements measure (Pillar 1) with a measure on economic capital requirements, which relies on the risk identification process and valuation using an internal approach (Pillar 2). This procedure is one the components of ICAAP (Internal Capital Adequacy Assessment Process). Economic capital is developed in accordance with the interpretation of the main regulatory standards:

- the Basel agreements;
- CRD 4 via its transposition into French regulations by the Order of 3 November 2014;
- guidelines of the European Banking Authority; and
- the prudential expectations relating to the ICAAP and the ILAAP.

For each of the risk recorded during the risk identification process, the calculation of economic capital requirements consists in:

- adjusting capital requirements calculated under Pillar 1 so that internal capital reflects the risks of each business activity from an economic standpoint;
- applying a *quantile* (probability of the occurrence of a default) at a level defined based on the Group's risk appetite in terms of external ratings; and
- taking into account, in a prudent manner, the effects of diversification.

In addition to a quantitative aspect, Amundi's approach is also based on a qualitative aspect that completes the economic capital requirement measures.

# 5.5 KEY FIGURES/RISK PROFILE

| | 31/12/18 | 31/12/17 |
|---|---|---|
| **AuM including JVs** *(in € billions)* | **1,425** | **1,426** |
| AuM excluding joint ventures | 1,283 | 1,308 |
| AuM joint ventures | 142 | 118 |
| **Equity, Group share** *(in € millions)* | **8,528** | **8,203** |
| **Regulatory capital** *(in € millions)* | **1,740** | **1,461** |
| o/w Tier 1 capital (CET1 + AT1) | 1,440 | 1,182 |
| *o/w Common Equity Tier 1 capital (CET1)* | *1,440* | *1,182* |
| o/w Tier 2 capital | 300 | 280 |
| **Total risk-weighted assets*** *(in € millions)* | **10,949** | **9,561** |
| o/w Credit risk | 5,672 | 5,743 |
| *o/w Credit risk (exc. threshold allowances and CVA)* | *4,522* | *4,679* |
| *o/w effect of threshold allowances* | *714* | *565* |
| *o/w Credit value adjustment (CVA) effect* | *436* | *499* |
| o/w Market risk | 818 | 504 |
| o/w Operational risk | 4,459 | 3,314 |
| **Overall solvency ratio*** | **15.9%** | **15.3%** |
| **CET1 ratio*** | **13.2%** | **12.4%** |
| **Investment portfolio** *(in € millions)* | **2,418** | **2,040** |
| o/w Money market | 598 | 791 |
| o/w Fixed income | 1,499 | 908 |
| o/w Equities and multi-asset | 200 | 175 |
| o/w Other | 121 | 166 |

* *Phased-in at 31/12/2017.*

# Amundi Group Consolidated Financial Statements

## for the year ended 31 December 2018

6

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

# 6.1 GENERAL FRAMEWORK

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 €504,260,885.00 comprising 201,704,354 shares with a par value of €2.50 each. The Company's registered office is located at 91 boulevard Pasteur, 75015 Paris.

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 at 31 December 2018, Amundi was owned 68.22% by Crédit Agricole S.A. and 1.71% 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 | 2018 | 2017 |
|---|---|---|---|
| Revenue from commissions and other income from customer activities (a) | | 4,803,695 | 3,947,251 |
| Commission and other expenses from customer activity expenses (b) | | (2,230,051) | (1,778,807) |
| Net gains or losses on financial instruments at fair value through profit or loss on customer activities (c) | | 32,121 | 35,573 |
| Interest and similar income (d) | | 6,976 | 11,990 |
| Interest and similar expenses (e) | | (21,740) | (19,156) |
| Net gains or losses on financial instruments at fair value through profit or loss (f) | | (16,440) | 19,098 |
| Net gains and losses on financial assets at fair value through equity (g) | | 6,440 | |
| Net gains and losses on available-for-sale financial assets (h) | | | 84,677 |
| Income from other activities (i) | | 16,779 | 13,424 |
| Expenses from other activities (j) | | (87,344) | (56,921) |
| **Net revenue from commissions and other customer activities (a)+(b)+(c)** | 4.1 | **2,605,765** | **2,204,017** |
| **Net financial income (d)+(e)+(f)+(g)+(h)** | 4.2 | **(24,764)** | **96,610** |
| **Other net income (i)+(j)** | 4.3 | **(70,565)** | **(43,497)** |
| **Net revenues** | | **2,510,436** | **2,257,130** |
| Operating expenses | 4.4 | (1,387,201) | (1,308,562) |
| **Gross operating income** | | **1,123,236** | **948,568** |
| Cost of risk | 4.5 | (11,249) | (13,278) |
| Share of net income of equity-accounted entities | | 49,745 | 33,128 |
| Net gains (losses) on other assets | 4.6 | (114) | (1,317) |
| Change in value of goodwill | | - | - |
| **Pre-tax income** | | **1,161,618** | **967,101** |
| Income tax charge | 4.7 | (306,792) | (285,910) |
| **Net income for the period** | | **854,827** | **681,192** |
| Non-controlling interests | | 177 | 102 |
| **NET INCOME – GROUP SHARE** | | **855,004** | **681,294** |

*NB : 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 | 2018 | 2017 |
|---|---|---|---|
| **Net income** | | **854,827** | **681,192** |
| *Actuarial gains and losses on post-employment benefits* | | *1,024* | *(773)* |
| *Gains and losses on financial liabilities attributable to changes in own credit risk* | | | |
| Gains and losses on equity instruments recognised in equity that may not be recycled to profit and loss | 5.5 | (38,657) | |
| Gains and losses on non-current assets held for sale | | | - |
| Gains and losses before tax recognised directly in non-recyclable equity, excluding equity-accounted entities | | (37,633) | (773) |
| Gains and losses before tax 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 | | (226) | (1,057) |
| Taxes on gains and losses recognised directly in non-recyclable equity of equity-accounted entities | | | - |
| **Net gains and losses recognised directly in equity and not recyclable at a later date** | | **(37,860)** | **(1,830)** |
| *Translation gains and losses (a)* | | *24,298* | *(46,782)* |
| *Gains and losses on available-for-sale financial assets (b)* | | | *(53,289)* |
| *Gains and losses on debt instruments recognised under recyclable equity* | 5.5 | *(1,845)* | |
| *Gains and losses on hedging derivative instruments (c)* | | | - |
| *Gains and losses on non-current assets held for sale (d)* | | | - |
| Gains and losses before tax recognised directly in recyclable equity, excluding equity-accounted entities (a)+(b)+(c)+(d) | | 22,453 | (100,070) |
| Taxes on gains and losses recognised directly in recyclable equity, excluding equity-accounted entities | | 612 | (6,257) |
| Gains and losses before tax recognised directly in recyclable equity of equity-accounted entities | | (7,642) | 13,658 |
| Taxes on gains and losses recognised directly in recyclable equity of equity-accounted entities | | | - |
| **Net gains and losses recognised directly in equity and recyclable at a later date** | | **15,423** | **(92,669)** |
| **Net gains and losses recognised directly in equity** | | **(22,436)** | **(94,499)** |
| **TOTAL NET INCOME INCLUDING NET GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY** | | **832,391** | **586,693** |
| of which Group share | | 832,571 | 586,801 |
| of which non-controlling interests | | (180) | (107) |

## 6.2.3 Balance sheet assets

| *In € thousands* | Notes | 31/12/2018 | 01/01/2018 | 31/12/2018 |
|---|---|---|---|---|
| Cash and central banks | 5.1 | 40 | 43 | 43 |
| Financial assets at fair value through profit or loss | 5.2 | 10,451,477 | 8,429,148 | 7,662,260 |
| Financial assets at fair value through equity | 5.5 | 485,951 | 412,331 | |
| Available-for-sale financial assets | | | | 1,179,241 |
| Financial assets at amortised cost[1] | 5.6 | 1,005,180 | 1,118,060 | 1,120,188 |
| Current and deferred tax assets | 5.9 | 194,264 | 202,500 | 201,155 |
| Accruals, prepayments and sundry assets | 5.10 | 2,254,128 | 2,133,759 | 2,133,759 |
| Investments in equity-accounted entities | 5.11. | 263,812 | 180,802 | 180,802 |
| Property, plant and equipment | 5.12 | 42,624 | 44,630 | 44,630 |
| Intangible assets | 5.12 | 544,228 | 623,162 | 623,162 |
| Goodwill | 5.13 | 5,695,486 | 5,674,053 | 5,674,053 |
| **TOTAL ASSETS** | | **20,937,188** | **18,818,486** | **18,819,292** |

*(1) At 31 December 2017, financial assets at amortised cost (IFRS 9 classification) were presented under loans and receivables due from credit institutions (see note 6.2.7 on the impacts of the application of IFRS 9 as of[1] January 2018).*

## 6.2.4 Balance sheet liabilities & equity

| *In € thousands* | Notes | 31/12/2018 | 01/01/2018 | 31/12/2017 |
|---|---|---|---|---|
| Financial liabilities at fair value through profil or loss | 5.3. | 8,213,323 | 6,420,082 | 6,420,082 |
| Financial liabilities at amortised cost[1] | 5.7. | 1,313,655 | 603,031 | 603,031 |
| Current and deferred tax liabilities | 5.9. | 281,109 | 288,447 | 288,447 |
| Accruals, deferred income and sundry liabilities | 5.10. | 2,088,322 | 2,774,328 | 2,774,328 |
| Provisions | 5.14. | 208,723 | 228,205 | 226,272 |
| Subordinated debt | 5.8. | 303,826 | 303,859 | 303,859 |
| **Total debt** | | **12,408,958** | **10,617,952** | **10,616,019** |
| **Equity Group share** | | **8,528,124** | **8,200,377** | **8,203,116** |
| Share capital and reserves | 5.15 | 2,946,566 | 2,976,782 | 2,976,782 |
| Consolidated reserves | | 4,779,498 | 5,254,103 | 4,561,994 |
| Gains and losses recognised directly in equity | | (52,944) | (30,508) | (16,954) |
| Net income/(loss) for the period | | 855,004 | | 681,294 |
| **Non-controlling interests** | | **107** | **156** | **156** |
| **Total equity** | | **8,528,230** | **8,200,534** | **8,203,273** |
| **TOTAL LIABILITIES** | | **20,937,188** | **18,818,486** | **18,819,292** |

*(1) At 31 December 2017, financial liabilities at amortised cost (IFRS 9 classification) were presented under amounts due to credit institutions (see note 6.2.7 on the impacts of the application of IFRS 9 as of 1 January 2018).*

## 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 | Premiums and consolidated reserves related to Share capital | Elimination of treasury shares | Total Share capital and consolidated reserves | in non-recyclable equity | in recyclable equity |
| **Equity as of 1st January 2017** | **419,814** | **6,152,234** | **(2,201)** | **6,569,846** | **(11,748)** | **86,258** |
| Capital increase | 83,962 | 1,330,583 | | 1,414,545 | | |
| Changes in treasury shares | | | 796 | 796 | | |
| Dividends paid in 2017 | | (443,305) | | (443,305) | | |
| Effect of acquisitions and disposals on non-controlling interests | | | | - | | |
| Changes related to share-based payments | | 18,963 | | 18,963 | | |
| **Changes related to transactions with shareholders** | **83,962** | **906,241** | **796** | **990,999** | **-** | **-** |
| Change in gains and losses recognised directly in equity | | | | - | (1,826) | (85,785) |
| Share of changes in equity of equity-accounted entities | | | | - | | (6,883) |
| Income at 31 December 2017 | | | | - | | |
| **Comprehensive income at 31 December 2017** | | | | **-** | **(1,826)** | **(92,668)** |
| Other changes | | (22,069) | | (22,069) | | 3,030 |
| **EQUITY AT 31 DECEMBER 2017** | **503,777** | **7,036,405** | **(1,405)** | **7,538,776** | **(13,574)** | **(3,381)** |
| Appropriation of 2017 net income | | 681,294 | | 681,294 | | |
| **EQUITY AS OF 1st JANUARY 2018** | **503,777** | **7,717,700** | **(1,405)** | **8,220,071** | **(13,574)** | **(3,381)** |
| IFRS 9 impacts(1) | | 10,814 | | 10,814 | 14,253 | (27,806) |
| **EQUITY AS OF 1st JANUARY 2018** | **503,777** | **7,728,513** | **(1,405)** | **8,230,884** | **679** | **(31,187)** |
| Capital increase | 484 | 9,263 | | 9,747 | | |
| Changes in treasury shares | | | (39,916) | (39,916) | | |
| Dividends paid in 2018 | | (503,600) | | (503,600) | | |
| Effect of acquisitions and disposals on non-controlling interests | | | | - | | |
| Changes related to share-based payments | | 27,716 | | 27,716 | | |
| **Changes related to transactions with shareholders** | **484** | **(466,621)** | **(39,916)** | **(506,053)** | **-** | **-** |
| Change in gains and losses recognised directly in equity | | 1,429 | | 1,429 | (37,860) | 23,065 |
| Share of changes in equity of equity-accounted entities | | | | - | | (7,642) |
| Income at 31 December 2018 | | | | - | | |
| **Comprehensive income at 31 December 2018** | **-** | **1,429** | **-** | **1,429** | **(37,860)** | **15,423** |
| Other changes | - | (198) | | (198) | | |
| **EQUITY AT 31 DECEMBER 2018** | **504,261** | **7,263,124** | **(41,321)** | **7,726,064** | **(37,181)** | **(15,763)** |

*(1) Details of the impacts on equity related to the application of IFRS 9 are presented in Note 6.2.7 «Impacts from IFRS 9 application as of 1 January 2018».*

| | | Non-controlling interests | | | | |
|---|---|---|---|---|---|---|
| | | | Gains and losses recognised directly in equity | | | |
| Net income | Equity Group Share | Share capital Consolidated reserves and net income | In non-recyclable equity | In recyclable equity | Non-controlling interests | Consolidated equity |
| - | 6,644,355 | 354 | (27) | - | 328 | 6,644,683 |
| | 1,414,545 | | | | | 1,414,545 |
| | 796 | | | | - | 796 |
| | (443,305) | (66) | | | (66) | (443,371) |
| | - | | | | - | - |
| | 18,963 | | | | | 18,963 |
| **-** | **990,999** | **(66)** | **-** | **-** | **(66)** | **990,933** |
| | (87,611) | | (5) | | (5) | (87,616) |
| | (6,883) | | | | - | (6,883) |
| 681,294 | 681,294 | (102) | | | (102) | 681,192 |
| **681,294** | **586,801** | **(102)** | **(5)** | | **(107)** | **586,693** |
| | (19,039) | | | | - | (19,039) |
| 681,294 | 8,203,116 | 187 | (32) | - | 156 | 8,203,273 |
| (681,294) | - | | | | - | - |
| - | 8,203,116 | 187 | (32) | - | 156 | 8,203,273 |
| - | (2,739) | | | | - | (2,739) |
| - | 8,200,377 | 187 | (32) | - | 156 | 8,200,533 |
| | 9,747 | | | | - | 9,747 |
| | (39,916) | | | | - | (39,916) |
| | (503,600) | 130 | | | 130 | (503,470) |
| | - | | | | - | - |
| | 27,716 | | | | - | 27,716 |
| **-** | **(506,053)** | **130** | **-** | **-** | **130** | **(505,923)** |
| | (13,365) | | (2) | | (2) | (13,367) |
| | (7,642) | | | | - | (7,642) |
| 855,004 | 855,004 | (177) | | | (177) | 854,827 |
| **855,004** | **833,997** | **(177)** | **(2)** | | **(179)** | **833,818** |
| | (198) | | | | - | (198) |
| 855,004 | 8,528,124 | 139 | (34) | - | 107 | 8,528,230 |

## 6.2.6 Cash flow statement

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

**Operating activities** are activities carried out on behalf of third parties and which are selected mainly in fee and commission cash flows, and activities on its own account (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 tangible and intangible assets. Non-consolidated equity investments included in this item are accounted for as "Available-for-sale assets."

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

**Net cash** includes cash, debit and credit balances with central banks, debit and credit demand balances in ordinary bank accounts, and overnight accounts and loans.

| *In € thousands* | Notes | 2018 | 2017 |
|---|---|---|---|
| **Pre-tax income** | | **1,161,618** | **967,101** |
| Net depreciation and amortisation and provisions in relation to tangible and intangible assets | 4.4 | 27,511 | 22,548 |
| Goodwill impairment | | | |
| Net write-downs and provisions | | (28,824) | 77,434 |
| Share of income of equity-accounted entities | | (49,745) | (33,128) |
| Net income from investment activities | | 114 | (19,674) |
| Net income from financing activities | | 5,886 | 3,859 |
| Other movements | | 54,536 | 10,614 |
| **Total non-monetary items included in net income before taxes and other adjustments** | | **9,478** | **61,652** |
| Changes in interbank items | | 809,088 | 254,224 |
| Changes in financial assets and liabilities [(1)] | | (363,928) | 615,412 |
| Changes in non-financial assets and liabilities [(2)] | | (739,303) | 375,138 |
| Dividends from equity-accounted affiliates | 5.11 | 15,809 | 15,084 |
| Tax paid | 4.7 | (298,820) | (268,898) |
| **Net decrease (increase) in assets and liabilities from operating activities** | | **(577,154)** | **990,961** |
| **Net changes in cash flow from operating activities (a)** | | **593,943** | **2,019,715** |
| Changes in equity investments [(3)] | | (56,310) | (3,009,852) |
| Changes in property, plant and equipment and intangible assets | | (18,743) | (20,273) |
| **Net cash flows from investing activities (b)** | | **(75,053)** | **(3,030,124)** |
| Cash flow from or intended for shareholders | | (533,635) | 972,032 |
| Other net cash flows from financing activities | | (76,413) | 645,000 |
| **Net cash flow from financing transactions (c) [(4)]** | | **(610,048)** | **1,617,032** |
| Impact of exchange rate changes and other changes on cash (d) | | 10,222 | (21,363) |
| **CHANGES IN NET CASH (a + b + c + d)** | | **(80,936)** | **585,260** |
| **Cash at beginning of the period** | | **1,009,610** | **424,350** |
| Net cash balance and central banks | | 43 | 24 |
| Net balance of accounts, demand loans and borrowings with credit institutions | | 1,009,567 | 424,326 |
| **Cash at end of the period** | | **928,674** | **1,009,610** |
| Net cash balance and central banks | | 40 | 43 |
| Net balance of accounts, demand loans and borrowings with credit institutions | | 928,634 | 1,009,567 |
| **CHANGES IN NET CASH** | | **(80,936)** | **585,260** |

*(1) Operating flows impacting financial assets and liabilities include investments and disinvestments in the investment portfolio.*
*(2) 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.*
*(3) Changes in equity investments are related mainly to the increase in the Group's stake in ABC-CA (equity-accounted entity).*
*(4) Financing transactions flows include the impact of the dividend payment for 2017 to shareholders as well as the partial repayment of the senior loan taken out in 2017 as part of the acquisition of Pioneer Investments.*

## 6.2.7 Impacts from IFRS 9 application as of 1 January 2018

### 6.2.7.1 TRANSITION FROM THE BALANCE SHEET FROM 31 DECEMBER 2017 TO 1 JANUARY 2018

**Financial assets**

| | | 31/12/2017 | 01/01/2018 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | IAS 39 | IFRS 9 reclassifications | | | | | | | |
| | | | Financial assets at fair value through profit or loss | | | | | Financial assets at fair value through equity | | Financial assets at amortised cost |
| | | | | Other financial assets at fair value through profit or loss | | | | | | |
| | *In € thousands* | Balance sheet value according to IAS 39 | Financial assets held for trading | Equity instruments | Debt instruments that do not meet SPPI criteria: UCITS | Financial assets at fair value through profit or loss as an option | Derivative hedging instruments | Debt instruments recognised at fair value through equity recyclable through profit and loss | Equity instruments recognised at fair value through equity not recyclable through profit and loss | Loans and receivables due from credit institutions |
| IAS 39 | **Financial assets at fair value through profit or loss** | **7,662,260** | **2,660,310** | **442,729** | **1,199,336** | **3,359,638** | **247** | **0** | **0** | **0** |
| | Financial assets held for trading | 2,660,310 | 2,660,310 | | | | | | | |
| | Financial assets at fair value through profit or loss as an option | 5,001,703 | | 442,729 | 1,199,336 | 3,359,638 | | | | |
| | Derivative hedging instruments | 247 | | | | | 247 | | | |
| | Available-for-sale assets | 1,266,533 | | 100,474 | 680,615 | | | 167,247 | 318,197 | |
| | Loans and receivables due from credit institutions | 1,120,188 | | | | | | | | 1,120,188 |
| | **Accounting balances according to IAS 39 valuation criteria** | 10,048,980 | | | | | | | | |
| | **Carrying amount restatement under IFRS 9** | | | **(7,573)** | (6,628) | | | | **(73,090)** | |
| **01/01/2018** | **ACCOUNTING BALANCES ACCORDING TO IFRS 9 VALUATION CRITERIA** | | **2,660,310** | **535,630** | **1,873,322** | **3,359,638** | **247** | **167,247** | **245,107** | **1,120,188** |

No financial assets designated at fair value through profit or loss as an option was affected by reclassifications, apart from those imposed by the standard.

### Financial liabilities

| | | 31/12/2017 | 01/01/2018 | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | IAS 39 | IFRS 9 reclassifications | | | | | |
| | | | Financial liabilities at fair value through profil or loss | | | Financial liabilities at amortised cost | | |
| *In € thousands* | | Balance sheet value according to IAS 39 | Financial liabilities held-for-trading | Financial liabilities at fair value through profit or loss as an option | Derivative hedging instruments | Due to credit institutions | Debt securities | Debt related to non-current assets held for sale and discontinued operations |
| IAS 39 | **Financial liabilities at fair value through profil or loss** | **6,420,082** | **2,646,382** | **3,772,826** | **874** | **0** | **0** | |
| | Financial liabilities held-for-trading | 2,646,382 | 2,646,382 | | | | | |
| | Financial liabilities at fair value through profit or loss as an option | 3,772,826 | | 3,772,826 | | | | |
| | Derivative hedging instruments | 874 | | | 874 | | | |
| | Due to credit institutions | 603,031 | | | | 603,031 | | |
| | **Accounting balances according to IAS 39 valuation criteria** | **7,023,113** | | | | | | |
| | **Carrying amount restatement under IFRS 9** | | | | | | | |
| **01/01/2018** | **ACCOUNTING BALANCES ACCORDING TO IFRS 9 VALUATION CRITERIA** | | **2,646,382** | **3,772,826** | **874** | **603,031** | **0** | **0** |

No financial liabilities designated at fair value through profit or loss as an option during the transition to IFRS 9 on 1 January 2018 were reclassified.

## 6.2.7.2 TRANSITION BETWEEN THE IMPAIRMENTS OR PROVISIONS UNDER IAS 39 AND THE VALUE ADJUSTMENTS FOR LOSSES UNDER IFRS 9.

Reconciliation between the closing balance of impairments under IAS 39 and the opening balance of impairments under IFRS 9

### Financial asset impairment

| | | 31/12/2017 | 01/01/2018 | | | | |
|---|---|---|---|---|---|---|---|
| | | | IFRS 9 "Reclassification of amortisation amounts" | | | | |
| | | | Other financial assets at fair value through profit or loss | | Financial assets at fair value through equity | | Financial assets at amortised cost |
| *In € thousands* | | IAS 39 "Amount of impairment" | Equity instruments | Debt instruments that do not meet SPPI criteria: UCITS | Debt instruments recognised at fair value through equity recyclable through profit and loss | Equity instruments recognised at fair value through equity not recyclable through profit and loss | Loans and receivables due from credit institutions |
| **Impairment recognised under IAS 39** | Due to central banks | | | | | | |
| | Available-for-sale assets | (87,291) | (7,573) | (6,628) | | (73,090) | |
| | Loans and receivables due from credit institutions | | | | | | |
| | Trade payables and receivables | | | | | | |
| | Held-to-maturity (HTM) securities | | | | | | |
| | **Accounting balances of impairments under IAS 39** | **(87,291)** | | | | | |
| | **Impairment restatements according to IFRS 9** | | **7,573** | **6,628** | **(23)** | **73,090** | **(2,128)** |
| | Of which restatement of assets reclassified from the IAS 39 fair value through profit or loss category | | | | | | |
| | Of which restatement of assets reclassified from the IAS 39 available-for-sale category | | 7,573 | 6,628 | (23) | 73,090 | |
| | Of which restatement of assets reclassified from the IAS 39 loans-and-receivables category | | | | | | (2,128) |
| | Of which restatement of assets reclassified from the IAS 39 held-to-maturity category | | | | | | |
| **01/01/2018** | **ACCOUNTING BALANCES OF IMPAIRMENTS UNDER IFRS 9** | | **0** | **0** | **(23)** | **0** | **(2,128)** |

### Provisions for off-balance sheet items

| *In € thousands* | 31/12/2017<br>IAS 39 "Amount of provisions" | Restatement of provisions under IFRS 9 | 01/01/2018<br>IFRS 9 "Amount of provisions" |
|---|---|---|---|
| Financing commitments | 0 | 0 | 0 |
| Guarantee commitments | 12,223 | 1,933 | 14,156 |
| **ACCOUNTING BALANCES OF PROVISIONS** | **12,223** | **1,933** | **14,156** |

The breakdown of impairments by "bucket" under IFRS 9 is as follows:

### Financial assets

| | 01/01/2018 | | |
|---|---|---|---|
| *In € thousands* | Bucket 1 | Bucket 2 | Bucket 3 |
| **Financial assets at fair value through equity** | **(23)** | **0** | **0** |
| Loans and receivables due from credit institutions | | | |
| Trade payables and receivables | | | |
| Debt securities | (23) | | |
| **Financial assets at amortised cost** | **(2,128)** | **0** | **0** |
| Loans and receivables due from credit institutions | (2,128) | | |
| Trade payables and receivables | | | |
| Debt securities | | | |
| **TOTAL** | **(2,151)** | **0** | **0** |

### Provisions for off-balance sheet items

| | 01/01/2018 | | |
|---|---|---|---|
| *In € thousands* | Bucket 1 | Bucket 2 | Bucket 3 |
| Financing commitments | | | |
| Guarantee commitments | 1,688 | 245 | 12,223 |
| **TOTAL** | **1,688** | **245** | **12,223** |

### 6.2.7.3 SHARE CAPITAL IMPACT OF THE APPLICATION OF IFRS 9 STANDARDS ON 1 JANUARY 2018

| | Impact of first application of IFRS 9 at 1 January 2018(1) | | |
|---|---|---|---|
| *In € thousands* | **Consolidated equity** | **Equity, Group share** | **Equity – Non-controlling interests** |
| **Equity at 31/12/2017 – IAS 39** | **8,203,273** | **8,203,116** | **156** |
| ***Impact on reserves*** | ***10,814*** | ***10,814*** | ***0*** |
| Revaluation related to own credit risk on liabilities designated at fair value through profit or loss | | | |
| Reclassification from "Available-for-sale assets" to "Fair value through profit or loss" (including provision cancellation, where applicable; in the case of fair value hedging, reclassification only concerns the unhedged portion) | 13,538 | | |
| Accounting of expected credit losses (on financial assets, assets falling within the scope of IAS 17 and IFRS 15 and off balance sheet commitments) | (2,724) | | |
| **Reserves – excluding equity-accounted companies** | **10,814** | | |
| ***Impact on gains and losses recognised directly in equity recyclable through profit and loss*** | ***(27,806)*** | ***(27,806)*** | ***0*** |
| Reclassification from "Available-for-sale assets" to "Fair value through profit or loss" (in the case of fair value hedging, reclassification only concerns the unhedged portion) | (13,538) | | |
| Reclassification of equity instruments from "Available-for-sale assets" to "Fair value through equity not recyclable through profit and loss" | (14,253) | | |
| Accounting of expected credit losses on financial assets at fair value through equity recyclable through profit and loss | (15) | | |
| **Gains and losses recognised directly in equity (net of tax) recyclable through profit and loss – excluding equity-accounted companies** | **(27,806)** | | |
| ***Impact on gains and losses recognised directly in equity not recyclable through profit and loss*** | ***14,253*** | ***14,253*** | ***0*** |
| Revaluation related to own credit risk on liabilities designated at fair value through profit or loss | | | |
| Reclassification of equity instruments from "Available-for-sale assets" to "Fair value through equity not recyclable through profit and loss" | 14,253 | | |
| Reclassification of equity instruments designated as fair value through profit or loss to fair value through equity not recyclable through profit and loss | | | |
| ***Gains and losses recognised directly in equity (net of tax) excluding equity-accounted companies*** | ***14,253*** | | |
| ***Total – Equity impact of IFRS 9 application*** | ***(2,739)*** | ***(2,739)*** | ***0*** |
| **EQUITY AT 01/01/2018 – IFRS 9** | **8,200,534** | **8,200,377** | **156** |

*(1) The amounts provided are net of tax.*

# 6.3 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## SUMMARY OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## PERIOD HIGHLIGHTS

The scope of consolidation and its changes to 31 December 2018 are presented in detail in note 9.3.

We note here the main transactions that were enacted in fiscal year 2018.

### Capital increase reserved for Group employees

On 21 June 2018, Amundi announced the launch of a capital increase reserved for employees which had already been announced, in principle, on 9 February 2018.

The subscription period for this capital increase reserved for employees ended on 9 July 2018.

Nearly 1,000 employees from 14 countries took part in this capital increase by subscribing for 193,792 new shares (or 0.1% of the share capital) for an aggregate amount of €10 million.

Once the transaction was complete, employees owned 0.3% of the share capital, compared with 0.2% previously.

This share issue brought the number of shares comprising Amundi share capital up to 201,704,354 shares.

### Share buyback programme

On 20 November 2018, Amundi announced in a press release the launch of its share buyback programme as part of the performance share award plan implemented for key managers in the Group.

This programme, which could extend to 15 November 2019, involves the purchase of around 2 million shares (at a maximum price of €100 per share).

# Note 1 Principles and methods

## 1.1 APPLICABLE STANDARDS AND COMPARABILITY

These consolidated financial statements were prepared in accordance with IAS/IFRS and the IFRIC interpretations applicable at 31 December 2018, as adopted by the European Union. The standards are 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 on 31/12/2018

The accounting principles and methods chosen by Amundi Group to prepare its consolidated financial statements as of 31 December 2018 are identical to those used for the preparation of the consolidated statements for the year ended 31 December 2017, with the exception of the following standards, amendments and interpretations newly applicable to the 2018 fiscal period:

| Standards, amendments and interpretations | Publication date by the European Union | Date of first compulsory application for fiscal periods starting from |
|---|---|---|
| IFRS 9 "Financial instruments"<br>Replacement of IAS 39 "Financial instruments: recognition and measurement, impairment, hedging" | 22 November 2016<br>(EU 2016/2067) | 1 January 2018 |
| IFRS 15 "Revenue from Contracts with Customers"<br>Replacement of IAS 11 regarding the recognition of construction contracts and IAS 18 on recognition of ordinary income | 22 September 2016<br>(EU 2016/1905) | 1 January 2018 |
| Amendment to IFRS 15 "Revenue from Contracts with Customers"<br>Clarifications to IFRS 15 | 31 October 2017<br>(EU 2017/1987) | 1 January 2018 |
| IFRS improvements (2014-2016 cycle):<br>■ IFRS 12 "Disclosure of interests in other entities";<br>■ IAS 28 "Investments in associates and joint ventures";<br>■ IFRS 1 "First-time adoption of international financial reporting standards". | 7 February 2018<br>(EU 2018/182) | 1 January 2018 |
| Amendment to IFRS 2 "Classification and measurement of share based payment transactions"<br>Clarifications to IFRS 2 | 26 February 2018<br>(EU 2018/289) | 1 January 2018 |
| IFRIC 22 "Foreign currency transactions and advance consideration"<br>Clarifications to IAS 21 | 3 April 2018<br>(EU 2018/519) | 1 January 2018 |

The Amundi Group reported its IFRS financial statements in accordance with IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers" (see chapter 1.3 "Accounting principles and methods") for the first time as of 1 January 2018.

### *IFRS 9 "Financial instruments"*

This standard, adopted by the European Union on 22 November 2016 and published in the Official Journal of the European Union on 29 November 2016, replaces IAS 39 "Financial Instruments".

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

IFRS 9 is mandatory and to be applied retrospectively beginning 1 January 2018 by adjusting the opening balance sheet as of the initial application, with, however, no obligation to restate the financial statements of the comparative 2017 period. Consequently, assets and liabilities relating to 2017 financial instruments are recognised and measured under IAS 39, as described in the accounting principles and methods presented in the financial statements at 31 December 2017.

*IFRS 15 "Revenue from Contracts with Customers"*

This standard applies to financial years starting on or after 1 January 2018 (in accordance with Regulation EU 2016/1905).

IFRS 15 replaces IAS 11 "Construction Contracts" and IAS 18 "Revenue", as well as all related interpretations, IFRIC 13 "Customer Loyalty Programmes", IFRIC 15 "Agreements for the Construction of Real Estate", IFRIC 18 "Transfers of Assets from Customers" and SIC 31 "Barter Transactions Involving Advertising Services". The application of IFRS 15 has had no impact on Amundi's net income and equity.

#### 1.1.2 Standards adopted by the EU and applicable in advance

In addition, Amundi did not choose to apply the standards and interpretations adopted by the European Union early. The first mandatory application is for fiscal periods beginning after 31 December 2018:

| Standards, amendments and interpretations | Publication date by the European Union | Date of first compulsory application for fiscal periods starting from |
|---|---|---|
| IFRS 16 "Leases"<br>Replacement of IAS 17 "Accounting for leases" | 31 October 2017<br>(EU 2017/1986) | 1 January 2019 |

*IFRS 16 "Leases"*

IFRS 16 "Leases" will replace IAS 17 and related interpretations (IFRIC 4 "Determining Whether an Arrangement Contains a Lease", SIC 15 "Operating Leases – Incentives" and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease"). It will apply to reporting periods beginning 1 January 2019.

The main change made by IFRS 16 has to do with accounting for lessees. IFRS 16 will require a model in respect of lessees that recognises all leases on the balance sheet, with a lease liability on the liability side representing commitments over the life of the lease, and on the asset side, an amortisable right-to-use.

In 2017, the Amundi Group started preparing to implement IFRS 16 by the deadline, integrating it into its accounting, finance, risk and purchasing functions. A first impact study regarding the implementation of the standard within the Group took place in the second half of 2017 and was based on the financial statements at 31 December 2016. All of this work continued in 2018. The Group has chosen the structural options connected with interpretation of the standard and the IT solutions necessary to enable the data processing in respect of Amundi's leases. In the second half, it also undertook impact costings on the basis of the financial statements at 31 December 2017.

Amundi shall apply the modified retrospective method in accordance with paragraph C5(b) of IFRS 16, accounting for the cumulative effect of the initial application at the transition date (1 January 2019).

Furthermore, the Group has elected to rely on the two exemptions relating to the accounting treatment proposed by the standard in respect of the following contracts:

- short-term leases;
- leases over assets of a low value as new.

Having conducted these impact studies, Amundi does not expect the application of IFRS 16 to have a material effect on its financial statements.

As of 31 December 2018, 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 at 31 December 2018.

## 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 1.3.5) and net financial income;
- operating expenses;
- cost of risk (note 1.3.12);
- the share of net income from equity-accounted entities;
- net gains (losses) on other assets.

## 1.3 ACCOUNTING PRINCIPLES AND METHODS

#### 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):

- national and international market activity;
- interest rate, currency, stock and credit spread fluctuations;

- the economic and political environment in certain business sectors and countries;
- changes in 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 (see notes 1.4.6 and 5.13);
- appreciation of the concept of control (see note 1.4.1.1);
- the fair value measurement of financial instruments (see notes 1.3.2 and 7);
- the valuation of provisions for guarantees granted to structured funds, retirement commitments and legal and regulatory risks (see notes 1.3.2.10 and 5.14).

### 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 of one entity and a financial liability or equity instrument of another entity, *i.e.* any contract representing contractual rights or obligations to pay or receive cash or other financial assets.

Derivative instruments are financial assets or 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 financial liabilities*

INITIAL MEASUREMENT

Upon initial recognition, financial assets and liabilities are measured 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 market or on the most advantageous market.

SUBSEQUENT MEASUREMENT

After initial recognition, financial assets and liabilities are valued based on their classification, either at their fair value or at amortised cost using the effective interest rate method, as defined by IFRS 13. Derivative instruments 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 method, of any difference (discount or premium) between the initial amount and the amount at maturity.

In the case of a financial asset, the amount is, if necessary, adjusted for impairment losses.

#### *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;
- financial assets at fair value through equity.

The criteria for classifying and measuring financial assets depend on the nature of the financial asset, according to whether it qualifies:

- as a debt instrument (*i.e.* loans or fixed or determinable-income securities); or
- as an equity instrument (*i.e.* shares).

***Debt instrument***

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 on order to meet its targets. 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 pure 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 mixed 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 pure disposal method 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.

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 the passage of time, the price of the 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 a 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 reference asset.

If the difference between the financial asset's cash flows and those of the reference 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 *ad hoc* 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 | | |
|---|---|---|---|---|
| | | **Pure hold to collect** | **Mixed** | **Pure disposal** |
| **SPPI test** | **Satisfactory** | **Amortised cost** | **Fair value through recyclable equity** | **Fair value through profit or loss** |
| | **Unsatisfactory** | **Fair value through profit or loss** | **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 recognised on the settlement/delivery date and their initial measurement also includes accrued interest and transaction costs.

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 equity recyclable through profit and loss if they are eligible for the mixed model and if they satisfy the "SPPI" test.

They are recognised 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 and loss using the effective interest rate method.

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

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

This financial instrument category is subject to impairment under the conditions described in the specific paragraph on "Provisions for credit risks" (without affecting the fair value carrying amount).

*DEBT INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS*

Debt instruments are measured 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 liabilities 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 UCITS;
- 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 and loss) and including accrued interest.

They are subsequently measured at fair value and changes in fair value are recognised through profit and loss, in net earnings as an offset to outstandings.

No impairments are recognised for this category of financial assets.

Debt instruments designated at fair value through profit or loss are recorded on the trading 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 equity not recyclable through profit and loss (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 and loss). They are recognised on the settlement/delivery date.

They are subsequently measured at fair value and changes in fair value are recognised through profit and loss, in net earnings as an offset to outstandings.

No impairments are recognised for this category of financial assets.

*EQUITY INSTRUMENTS AT FAIR VALUE THROUGH EQUITY NOT RECYCLABLE THROUGH PROFIT AND LOSS (IRREVOCABLE OPTION)*

The irrevocable option of recognising equity instruments at fair value through equity not recyclable through profit and loss is taken on a transactional level (line by line) and is applied from the initial date of 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 equity and may not be recycled through profit and loss. In the event of disposal, these changes are not recycled through profit and loss, the gain or loss on the disposal is recognised in equity.

Only dividends are recognised through profit and loss.

DERECOGNITION OF FINANCIAL ASSETS

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

- if the contractual rights to the related cash flows expire;
- or are transferred or are 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 rewards 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 the counterparty financial difficulties and with the aim of building or retaining a business relationship are derecognised on the renegotiation date. New loans to clients are recognised 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 BY TYPE THROUGH PROFIT OR LOSS;*

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 profit and loss.

*FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS AS AN OPTION*

Financial liabilities meeting one of the three conditions defined by the standard may optionally be designated at fair value through profit or loss: for hybrid issues including one or more embedded derivatives, in order to lessen the distortion of the accounting treatment or in the case of 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 through equity not recyclable through profit and loss 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.

This portfolio is initially measured 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.

Only re-qualification (debt instruments versus equity instruments) may take place.

DISTINCTION BETWEEN LIABILITIES AND EQUITY

The distinction between debt instruments and equity instruments is based on an analysis of the economic substance or 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 an entity; or
- to exchange financial assets and financial 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.

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 recognised immediately through profit and loss.

If the financial liability has not been derecognised, the original effective interest rate continues. A discount/premium is immediately recognised through profit and 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

In accordance with IFRS 9, Amundi recognises impairments under Expected Credit Losses or ECL) for amounts outstanding of the following:

- financial assets that are debt instruments recognised at amortised cost or at fair value through equity recyclable through profit and loss (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 through OCI not recyclable through profit and loss) are not affected by impairment arrangements.

Counterparty risk is calculated for derivative 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 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 losses expected 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:

- 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 believes that it is unlikely that the debtor will settle its credit obligations in full without recourse to measures such as the provision of surety.

The definition of "default" is applied uniformly to all financial instruments, unless information becomes available showing that another definition of 'default' is better suited to a particular financial instrument.

An outstanding amount 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 grant, by one or more lenders to the borrower, for economic or contractual reasons relating to the borrower's financial difficulties, of one or more favours 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 Risks Department is responsible for defining the methodological framework and oversight of the system of loss 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.

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

IFRS 9 parameters are determined and updated in line with the methodologies defined by the Group, thereby enabling a base level, or shared basis for provisioning to be established.

The models and parameters used are backtested 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 2 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, without exception, are monitored for significant deterioration. No contagion is required to switch financial instruments from the same counterparty 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 outstandings 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 outstandings (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 Risks 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 through equity recyclable through profit and loss, 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

Derivative instruments 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 and loss for derivative instruments held-for-trading or as fair value hedges;
- in equity recyclable through profit and loss if these are derivative instruments 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 fair value 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 through equity recyclable through profit and loss are eligible for fair value hedging.

*DOCUMENTATION*

Hedging relationships must comply with the following principles:

- the aim of fair value hedges is to protect against exposure to changes in 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 and 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 probable and which could (in the case of a forecast transaction that has not yet been performed) affect the profit and 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 derivative instruments 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 and 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 and 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 equity for the effective portion, and any ineffective portion of the hedge is recognised in profit and loss. Any profits or losses on the derivative accrued through equity are then recycled in profit and 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 adjustment in equity and any ineffective portion of the hedge is recognised in profit and 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 and loss. The hedged item is wholly accounted for according to its classification. For debt instruments at fair value through equity recyclable through profit and 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 adjustment 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 and loss. For interest rate hedged items, net income is allocated according to the payment of interest. The revaluation adjustment 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 Value 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 or CVA) and, using a symmetrical treatment, the non- performance risk for derivative liabilities (Debit Valuation Adjustment or DVA or own credit risk).

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

For derivatives carried out with market counterparties, the CVA/DVA calculation is based on an estimate of losses expected given the probability of default and the loss in the event of default. The methodology used maximises the use of observable market data. It is primarily based on market data 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 data may also be used.

For derivatives contracted by Amundi and the funds, no CVA/DVA is calculated, given 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*

These data are directly observable (*i.e.* prices) or indirectly observable (data derived from prices) and generally meet the following criteria: they are data not specific to the entity, which are 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 as observed at the reporting date.

When the models used are consistent with standard models and on observable market data, (such as yield curves or implied volatility ranges), the initial margin generated on the instruments valued in this way is recognised in profit and 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 and loss spread over the period during which the parameters are deemed to be unobservable. When the market data become observable, the margin remaining to be spread is immediately recognised in profit and loss.

The valuation methodologies and models used to value the financial instruments presented in Levels 2 and 3 incorporate all factors that market participants use to calculate prices. They must first be validated by 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 financial liabilities*

In accordance with IAS 32, Amundi offsets a financial asset and a financial liability and reports the net amount when, and only when, 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 3.4. on 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 equities 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 derivative instruments 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 through equity not recyclable through profit and 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 through equity recyclable through profit and loss;
- 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 IFRS 9 section on "Impairment";
- the amount initially recognised less, where appropriate, cumulative revenue recognised in accordance with 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 obligations (legal or constructive) 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:

- operational risks;
- financing commitment execution risks;
- disputes and liabilities collateral;
- employee benefits;
- tax 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 fiscal period 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 fiscal period);
- severance payments;
- post-employment benefits, falling into one of two categories described below: defined-benefit plans and defined-contribution plans.

#### *1.3.4.1 Retirement plan – defined-contribution plans*

There are several compulsory 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 employees during the financial year and during prior years. Consequently, Amundi Group entities have no liabilities in this respect other than their contributions 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 in allocating an expense corresponding to the rights vested over the period for each year of employment. The expense is calculated based on the future, discounted benefit.

The calculations for expenses for future social benefits are established based on 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.

The rate of return forecast for the assets in the plans is also estimated by Management. The estimated returns are based on the projected returns for fixed-income securities including, notably, the yield on bonds.

In accordance with IAS 19 R, the rate of return is equal to the discount rate.

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 of the Crédit Agricole Group.

With respect to commitments which are not covered, a provision to cover the retirement benefits is included in balance sheet liabilities in the "Provisions" item.

#### *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 fiscal period 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 fiscal period 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 fiscal periods subject to the meeting of certain performance conditions set in advance and of continued employment at the time of payment to the employees to whom they were granted.

### 1.3.5 Commissions and 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.

The net commission is 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 funds 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 computed on the basis of a percentage on the positive difference between the actual performance and the reference index as provided by contract.

Income and expenses for fees are recorded in profit and loss according to the nature of the services they represent. With regard to other types of fees, 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 and 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 and loss when the service is provided.

The fees and commissions 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 reliably estimated;

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 profit and loss at the end of the calculation period.

### 1.3.6 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 and 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 (performance share grants). 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;
- 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 20%. The plans have no vesting period, but include a five-year lock-up period. The benefit granted to employees is 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 stock allocation plans settled by Crédit Agricole S.A. equity instruments is recognised in the financial statements of the entities employing the plan beneficiaries, including Amundi. The impact is recorded in personnel expenses offsetting an increase in "Consolidated reserves – Group share".

### 1.3.7 Current and deferred taxes

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 reporting period". The taxable income is the profit or loss for a given fiscal period 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.

As of 1 January 2010, a tax consolidation group was set up for the French entities with Amundi Group as the head company.

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 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 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 basis, 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) at 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 basis, insofar as it is deemed probably 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 a future taxable profit will be available to the Group 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 basis. As a result, deferred tax is not recognised on these gains. When the securities in question are classified as available-for-sale securities, unrealised gains and losses are recognised as an offset to equity. The tax expense or savings effectively borne by the entity arising from these unrealised gains or losses is reclassified as a deduction from them.

In France, long-term capital gains on the sale of equity investments, as defined by the French General Tax Code, are exempt from tax as from the tax year commencing on 1 January 2007 (the 12% of long-term capital gains are taxed at the normally applicable rate). Accordingly, unrealised gains recognised at the end of the year generate a temporary difference requiring the recognition of deferred tax on this share.

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 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 against current tax assets and liabilities; and
- the deferred tax assets and liabilities concern income taxes assessed by the same tax authority:

i. either for the same taxable entity; or

ii. 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 fiscal year in which it is expected that substantial deferred tax assets or liabilities will be paid or recovered.

When tax credits on income from securities portfolios and receivables are effectively used to pay income tax due for the 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 charge" heading in the income statement.

However, given that the legislative intent when introducing the tax credit for competitiveness and employment (*Crédit d'impôts pour la compétitivité et l'emploi* – CICE) in France was to reduce employee expenses, Amundi chose to recognise the CICE (Article 244 quater C of the French General Tax Code, (CGI) as a reduction in employee expenses.

### 1.3.8 Property, plant and equipment

Amundi applies component accounting to all its property, plant and equipment. In accordance with 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 prices 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 years straight line;
- computer hardware 3 years accelerated;
- office equipment 5 years straight-line;
- office furniture 10 years straight-line;
- technical plant 10 years straight-line;
- buildings 20 years 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 Amundi has about the value of its amortisable fixed assets has led it to the conclusion that write-down tests would not result in any change in the values recorded in the balance sheet.

### 1.3.9 Intangible assets

Intangible assets include software, sales commissions paid in advance (up front) to mutual fund distributors, as well as the intangible assets resulting from the identification of contractual rights at the time of allocation of the acquisition price of a business combination.

Purchased software is recorded on the balance sheet at acquisition price less accumulated depreciation and write-downs since acquisition.

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

Sales commissions paid in advance to mutual fund distributors are recognised at cost.

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:

- software: based on its estimated useful life;
- sales commissions: over the duration of the contract used as the calculation basis;
- for assets acquired in business combinations resulting from contractual rights: the contract period.

### 1.3.10 Foreign currency transactions

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

At period end, foreign-currency denominated monetary assets and liabilities are translated in the Amundi functional currency at the closing rate. The resulting translation adjustments are recognised in profit and loss. There are two exceptions to this rule:

- for available-for-sale financial assets, only the translation adjustments calculated on an amortised cost are taken to profit and loss; the balance is recorded in equity;
- exchange adjustments on elements 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 at the end of the reporting period.

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

### 1.3.11 Earnings per share

In accordance with IAS 33, earning per share is equal to net consolidated income divided by the weighted average number of shares in circulation during the fiscal year.

There are no dilutive instruments on Amundi's capital. The basic earnings per share is therefore identical to diluted earnings per share.

### 1.3.12 Cost of risk

The cost of risk is mainly composed of provisions for litigation, provisions for guaranteed funds and other provisions related to operational risk.

### 1.3.13 Leases

In accordance with IAS 17 "Leases", leasing transactions are analysed based on their substance and financial reality. Depending on the case, they are recognised as operating leases or financing leases.

Financial leases in the following situations have been analysed:

- the contract provides for the compulsory transfer of ownership at the end of the lease period;
- the contract contains a purchase option and the conditions of the option are such that the transfer of the ownership is highly likely at the end of the lease;
- the contract period covers most of the estimated useful life of the property leased;
- the discounted value of the total minimal amounts due stated in the contract is close to the fair value of the property.

These situations are not significant and Amundi has not recorded any transactions in this respect.

However, Amundi has signed operating leases for its operations buildings.

In the case of operating leases, the property is not recognised in the lessee's assets. The payments made for operating leases are recorded in the income statement on a straight-line basis over the lease period.

#### 1.3.14 Non-current assets held for sale and discontinued operations

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

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

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 and loss. They are no longer amortised when they are reclassified.

If the fair value of a disposal group 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 held-for sale-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 separate major business line or 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 cost of sale of the assets and liabilities constituting the discontinued operations, net of tax.

Amundi did not record any transactions covered by IFRS 5 during the 2017 and 2018 financial periods.

## 1.4 PRINCIPLES AND METHODS OF CONSOLIDATION

### 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 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 rights (voting or contractual) 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 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 as, 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 give the investor the power to direct relevant activities in specific circumstances only and any other facts or circumstances that indicate 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 are 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 and 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, 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 primary:
  - *i.e.* 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 and formula-based funds;
- "portfolio insurance" funds.

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

Once the structure of formula-based 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 of 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: essentially tied to monetising assets, it is governed by the same restrictions as those applied to formula-based funds and reflects a high level of caution at issuer selection time.

### 1.4.2 Basis of consolidation

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 consists in substituting for the value of the shares each of the assets and liabilities carried by each subsidiary.

EQUITY METHOD

The equity method consists in substituting for the value of shares the Group's proportional- share of the equity and 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 and that give 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 impairment measured at the time of disposal in an internal transaction is recognised.

### 1.4.4 Translation of the financial statements of foreign subsidiaries

Consolidated statements are prepared in euros.

The financial statements of foreign subsidiaries are converted into euros in two steps:

- 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 are translated at the closing rate. The income and expenses included in the income statement are translated at the average exchange rate for the period. Exchange adjustments for assets, liabilities and income statement items are recorded under a specific item in equity. These exchange differences are recognised as a profit or loss at the time of the total or partial disposal of the entity. In the event of the sale of a subsidiary (exclusive control), the reclassification from equity to income will only take place in the event of a 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, at the date of acquisition, it 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 and 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 date of acquisition;
- 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 consideration 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 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 cost of acquisition 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 recognised immediately in profit and 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 at the end of the reporting period.

When control is taken by stages, the interest held before taking control is revalued at fair value through profit or loss at the date of acquisition 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 already exclusively controlled, 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 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 interdisciplinarity of the functions inherent to asset management. This centralisation and integration translate into the following organisational principles: an integrated 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 market value and 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 policies and commentary are presented in chapters 4 and 5, allowed by IFRS 7. The accounting breakdowns are still presented in the financial statements.

As a credit institution, Amundi is subject to French prudential regulations, which implement in French law the provisions of the European directive on 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 European 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 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 at 31 December 2018, as it did in 2017.

## 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 fiscal periods 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.

| | 31/12/2018 | | | | | |
|---|---|---|---|---|---|---|
| *In € thousands* | ≤ 3 months | > 3 months to ≤ 1 year | > 1 year to ≤ 5 years | Above 5 years | Indefinite | Total |
| Financial assets held for trading | 62,242 | 170,852 | 1,000,089 | 1,223,202 | - | 2,456,385 |
| Financial assets at fair value through profit or loss as an option | 3,948 | 32,661 | 693,291 | 5,046,112 | 2,219,082 | 7,995,093 |
| **Total financial assets at fair value through profit or loss** | **66,190** | **203,513** | **1,693,380** | **6,269,314** | **2,219,082** | **10,451,477** |
| Debt instruments recognised at fair value through equity recyclable through profit and loss | 2,824 | - | 193,358 | 100,960 | - | 297,142 |
| Equity instruments recognised at fair value through equity not recyclable through profit and loss | - | - | - | - | 188,809 | 188,809 |
| **Total financial assets at fair value through equity** | **2,824** | **-** | **193,358** | **100,960** | **188,809** | **485,951** |
| Financial assets at amortised cost | 973,785 | - | 31,395 | - | - | 1,005,180 |
| **Total loans and receivables due from credit institutions** | **973,785** | **-** | **31,395** | **-** | **-** | **1,005,180** |
| Financial liabilities held-for-trading | 63,763 | 172,396 | 958,842 | 1,482,525 | - | 2,677,526 |
| Financial liabilities at fair value through profit or loss as an option | - | 32,661 | 693,291 | 4,806,064 | - | 5,532,017 |
| Derivative hedging instruments | - | - | 2,216 | 1,563 | - | 3,780 |
| **Total financial liabilities at fair value through profit or loss** | **63,763** | **205,056** | **1,654,350** | **6,290,153** | **-** | **8,213,323** |
| Financial liabilities at amortised cost | 560,323 | 477,332 | 276,000 | - | - | 1,313,655 |
| **Total due to credit institutions** | **560,323** | **477,332** | **276,000** | **-** | **-** | **1,313,655** |
| Subordinated debt | - | 3,826 | - | 300,000 | - | 303,826 |
| **Total subordinated debt** | **-** | **3,826** | **-** | **300,000** | **-** | **303,826** |

| | 31/12/2017 | | | | | |
|---|---|---|---|---|---|---|
| *In € thousands* | ≤ 3 months | > 3 months to ≤ 1 year | > 1 year to ≤ 5 years | Above 5 years | Indefinite | Total |
| Financial assets held for trading | 99,886 | 280,107 | 1,365,070 | 915,247 | - | 2,660,310 |
| Financial assets at fair value through profit or loss as an option | 19,719 | - | 865,620 | 2,917,028 | 1,199,336 | 5,001,703 |
| Derivative hedging instruments | - | - | 143 | 104 | - | 247 |
| **Total financial assets at fair value through profit or loss** | **119,605** | **280,107** | **2,230,833** | **3,832,379** | **1,199,336** | **7,662,260** |
| Available-for-sale financial assets | - | - | 95,417 | 68,977 | 1,014,847 | 1,179,241 |
| **Total available-for-sale financial assets** | **-** | **-** | **95,417** | **68,977** | **1,014,847** | **1,179,241** |
| Loans and receivables due from credit institutions | 1,082,361 | 2,750 | 35,077 | - | - | 1,120,188 |
| **Total loans and receivables due from credit institutions** | **1,082,361** | **2,750** | **35,077** | **-** | **-** | **1,120,188** |
| Financial liabilities held-for-trading | 96,653 | 277,183 | 1,283,843 | 988,702 | - | 2,646,382 |
| Financial liabilities at fair value through profit or loss as an option | - | - | 865,620 | 2,907,206 | - | 3,772,826 |
| Derivative hedging instruments | - | - | 507 | 367 | - | 874 |
| **Total financial liabilities at fair value through profit or loss** | **96,653** | **277,183** | **2,149,970** | **3,896,275** | **-** | **6,420,082** |
| Due to credit institutions | 123,458 | 203,573 | 276,000 | - | - | 603,031 |
| **Total due to credit institutions** | **123,458** | **203,573** | **276,000** | **-** | **-** | **603,031** |
| 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 REVENUES

Commissions and fees breakdown as follows:

| *In € thousands* | 2018 | 2017 |
|---|---|---|
| Net fee and commission income | 2,491,190 | 2,029,096 |
| Performance fees | 114,575 | 174,921 |
| **TOTAL NET ASSET MANAGEMENT REVENUES** | **2,605,765** | **2,204,017** |

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

## 4.2 NET FINANCIAL INCOME

| *In € thousands* | 2018 | 2017 |
|---|---|---|
| Interest income | 6,976 | 11,990 |
| Interest expense | (21,740) | (19,156) |
| **Net interest income** | **(14,764)** | **(7,166)** |
| Dividends received | 1,427 | |
| Unrealised or realised gains or losses on assets/liabilities at fair value through profit and loss by nature | (28,874) | (1,970) |
| Unrealised or realised gains or losses on assets/liabilities designated at fair value through profit and loss | 13,315 | 25,694 |
| Net gains/(losses) on currency and similar financial instrument transactions | (2,307) | (4,625) |
| **Net gains or losses on financial instruments at fair value through profit or loss** | **(16,440)** | **19,099** |
| Net gains or losses on debt instruments recognised directly in recyclable equity | - | |
| Recognised remuneration for equity instruments recognised in non-recyclable equity (dividends) | 6,440 | |
| **Net gains and losses on financial assets at fair value through equity** | **6,440** | **-** |
| Dividends received | | 7,717 |
| Gains or losses on sales of available-for-sale financial assets | | 78,397 |
| Losses on securities permanently impaired securities (equity securities) | | (1,437) |
| Gains or losses on disposals on loans and receivables | | - |
| **Net gains and losses on available-for-sale financial assets** | | **84,677** |
| **TOTAL NET FINANCIAL INCOME** | **(24,764)** | **96,610** |

Analysis of net gains (losses) from hedge accounting:

| | 2018 | | | 2017 | | |
|---|---|---|---|---|---|---|
| *In € thousands* | Profits | Losses | Net | Profits | Losses | Net |
| **FAIR VALUE HEDGES** | | | | | | |
| Change in fair value of hedged items attributable to hedged risks | 3,426 | 247 | 3,673 | 354 | (247) | 107 |
| Change in fair value of hedging derivatives (including termination of hedges) | (247) | (3,426) | (3,673) | 247 | (354) | (107) |
| **TOTAL GAINS (LOSSES) FROM HEDGE ACCOUNTING** | **3,179** | **(3,179)** | **-** | **601** | **(601)** | **-** |

## 4.3 OTHER NET INCOME

| *In € thousands* | 2018 | 2017 |
|---|---|---|
| Other net income (expenses) from banking operations | (84,981) | (55,611) |
| Other net income (expenses) from non-banking operations | 14,416 | 12,114 |
| **TOTAL OTHER NET INCOME (EXPENSES)** | **(70,565)** | **(43,497)** |

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 in business combinations in the amount of €71,251 thousand at 31 June 2018 and €43,960 thousand at 31 December 2017.

## 4.4 OPERATING EXPENSES

| *In € thousands* | 2018 | 2017 |
|---|---|---|
| Employee expenses (including seconded and temporary personnel) | (857,000) | (845,744) |
| Other operating expenses | (530,201) | (462,818) |
| *Of which external services related to personnel and similar expenses* | *(8,313)* | *(6,995)* |
| **TOTAL OPERATING EXPENSES** | **(1,387,201)** | **(1,308,562)** |

The details regarding employee expenses are presented in note 6.2.

Other operating costs include allowances for depreciation and amortisation of property, plant and equipment and intangible assets as follows:

| *In € thousands* | 2018 | 2017 |
|---|---|---|
| **Net amortisation** | **(27,511)** | **(22,553)** |
| Property, plant and equipment | (14,755) | (13,348) |
| Intangible assets | (12,756) | (9,206) |
| **Net write-downs and provisions** | **-** | **-** |
| Property, plant and equipment | - | - |
| Intangible assets | - | - |
| **TOTAL PROVISIONS FOR DEPRECIATION AND AMORTISATION OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS** | **(27,511)** | **(22,553)** |

## 4.5 COST OF RISK

| *In € thousands* | 2018 | 2017 |
|---|---|---|
| **CREDIT RISK** | | |
| **Provisions net of impairment reversals on performing assets (Buckets 1 and 2)** | **(677)** | |
| ***Bucket 1: Losses assessed by expected credit losses over the next 12 months*** | ***(922)*** | |
| Debt instruments recognised at fair value through equity recyclable through profit and loss | (81) | |
| Debt instruments recognised at amortised cost | (341) | |
| Commitments made | (500) | |
| ***Bucket 2: Losses assessed by expected credit losses over lifetime*** | ***245*** | |
| Debt instruments recognised at fair value through equity recyclable through profit and loss | - | |
| Debt instruments recognised at amortised cost | - | |
| Commitments made | 245 | |
| **Provisions net of impairment reversals on impaired assets (Bucket 3)** | **(17,021)** | |
| ***Bucket 3: Impaired assets*** | | |
| Debt instruments recognised at fair value through equity recyclable through profit and loss | - | |
| Commitments made | (17,021) | |
| **Net changes in provisions for credit risk** | **(17,698)** | |
| **Provisions and write-downs** | | **(12,320)** |
| Loans and receivables | | - |
| Other assets | | (1,903) |
| Commitments made | | (526) |
| Risks and charges | | (9,891) |
| **Reversal of provisions and write-downs** | | **2,092** |
| Loans and receivables | | - |
| Other assets | | 346 |
| Commitments made | | 141 |
| Risks and charges | | 1,605 |
| **Net changes in provisions for other risks and charges** | **8,174** | **(10,228)** |
| Other net gains (losses) | (1,724) | (3,050) |
| **TOTAL COST OF RISK** | **(11,249)** | **(13,278)** |

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

| | Performing commitments | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Commitments with a 12-month ECL (Bucket 1) | | Commitments with an ECL to 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) | Amount net of commitment (a) + (b) |
| **AT 1 JANUARY 2018** | **19,255,251** | **(1,688)** | **2,196** | **(245)** | **2,064,877** | **(12,223)** | **21,322,324** | **(14,156)** | **21,308,168** |
| **Transfer of commitments during their lifetime from one bucket to another** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | |
| *Transfer of 12-month ECLs (Bucket 1) to ECLs at maturity (Bucket 2)* | | | | | | | - | - | |
| *Return of ECLs at maturity (Bucket 2) to 12-month ECLs (Bucket 1)* | | | | | | | - | - | |
| *Transfers to ECLs impaired at maturity (Bucket 3)* | | | | | | | - | - | |
| *Return of ECLs impaired at maturity (Bucket 3) to ECLs at maturity (Bucket 2)/12-month ECLs (Bucket 1)* | | | | | | | - | - | |
| **TOTAL AFTER TRANSFER** | **19,255,251** | **(1,688)** | **2,196** | **(245)** | **2,064,877** | **(12,223)** | **21,322,324** | **(14,156)** | **21,308,168** |
| **Changes in commitment amounts and value adjustments for losses** | **(1,331,820)** | **(500)** | **(2,196)** | **245** | **140,551** | **(16,563)** | **(1,193,465)** | **(16,818)** | |
| New commitments given | 138,667 | (187) | | | | | 138,667 | (187) | |
| Suppression of commitments | | | | | | | - | - | |
| Transfer to loss | | | | | (457) | 457 | (457) | 457 | |
| *Changes in flows that do not result in derecognition* | | | | | | | - | - | |
| *Changes in credit risk parameters over the period* | | *(313)* | | *245* | | *(17,020)* | - | *(17,088)* | |
| *Change in model/methodology* | | | | | | | - | - | |
| *Other* | *(1,470,487)* | | *(2,196)* | | *141,008* | | *(1,331,675)* | - | |
| **AT 31 DECEMBER 2018** | **17,923,431** | **(2,188)** | **-** | **-** | **2,205,428** | **(28,786)** | **20,128,859** | **(30,974)** | **20,097,885** |

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

## 4.6 NET GAINS (LOSSES) ON OTHER ASSETS

| *In € thousands* | 2018 | 2017 |
|---|---|---|
| Gains on disposals of tangible and intangible assets | 87 | 57 |
| Losses on disposals of tangible and intangible assets | (201) | (1,374) |
| Income from sales of securities from consolidated holdings | - | - |
| Net income from business combination operations | - | - |
| **TOTAL NET GAINS (LOSSES) ON OTHER ASSETS** | **(114)** | **(1,317)** |

## 4.7 INCOME TAXES

| *In € thousands* | 2018 | 2017 |
|---|---|---|
| Current tax charge | (324,019) | (303,171) |
| Deferred tax income (charge) | 17,228 | 17,262 |
| **TOTAL TAX EXPENSE FOR THE PERIOD** | **(306,792)** | **(285,910)** |

Reconciliation between the theoretical and effective tax rates:

| | 2018 | | 2017 | |
|---|---|---|---|---|
| *In € thousands* | Rate | Base | Rate | Base |
| Pre-tax income and income from equity-accounted affiliates | | 1,111,873 | | 933,973 |
| **Theoretical tax rate and expense** | **34.43%** | **(382,818)** | **34.43%** | **(321,567)** |
| Effect of permanent differences | 0.07 pts | (725) | 1.21 pts | (11,274) |
| Effect of different tax rates on foreign entities | (5.45 pts) | 60,589 | (3.85 pts) | 35,958 |
| Effect of losses for the year, utilisation of losses carried forward, and of temporary differences and other items | 0.03 pts | (329) | (1.15 pts) | 10,750 |
| Effect of taxation at a lower rate | (1.69 pts) | 18,774 | (1.38 pts) | 12,928 |
| Effect of other items | 0.21 pts | (2,283) | 1.36 pts | (12,704) |
| **Effective tax rates and expenses** | **27.60%** | **(306,792)** | **30.61%** | **(285,910)** |

## 4.8 CHANGE IN GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY

Net gains and losses recognised directly in equity for the 2018 fiscal year are detailed below:

### Recyclable gains and losses

| *In € thousands* | 2018 | 2017 |
|---|---|---|
| **Translation gains and losses** | **24,298** | **(46,782)** |
| Revaluation adjustment for the period | 24,298 | (46,782) |
| Reclassified to profit and loss | - | - |
| Other reclassifications | - | - |
| **Gains and losses on debt instruments recognised under recyclable equity** | **(1,845)** | |
| Revaluation adjustment for the period | (1,845) | |
| Reclassified to profit and loss | - | |
| Other reclassifications | - | |
| **Gains and losses on available-for-sale assets** | | **(53,289)** |
| Revaluation adjustment for the period | | 22,636 |
| Reclassified to profit and loss | | (75,921) |
| Other reclassifications | | (3) |
| **Gains and losses on hedging derivative instruments** | **-** | **-** |
| Revaluation adjustment for the period | - | - |
| Reclassified to profit and loss | - | - |
| Other reclassifications | - | - |
| **Pre-tax recyclable gains and losses recognised directly in equity of equity-accounted entities** | **(7,642)** | **(6,883)** |
| **Tax on recyclable gains and losses recognised directly in equity, excluding equity-accounted entities** | **612** | **14,284** |
| **Tax on recyclable gains and losses recognised directly in equity of equity-accounted entities** | **-** | **-** |
| **TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY AND RECYCLABLE TO PROFIT OR LOSS AT A LATER DATE** | **15,423** | **(92,669)** |

### Non-recyclable gains and losses

| *In € thousands* | 2018 | 2017 |
|---|---|---|
| **Actuarial gains and losses on post-employment benefits** | **1,024** | **(773)** |
| **Gains and losses on equity instruments recognised in equity that may not be recycled to profit and loss** | **(38,657)** | |
| Revaluation adjustment for the period | (37,229) | |
| Transfers in reserves | (1,429) | |
| Other reclassifications | - | |
| Gains and losses before tax recognised directly in non-recyclable equity of equity-accounted entities | - | - |
| Income tax on gains and losses recognised directly in in non-recyclable equity excluding equity-accounted entities | (226) | (1,057) |
| Income tax on gains and losses recognised directly in non-recyclable equity of equity-accounted entities | - | - |
| **TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY AND NOT RECYCLABLE AT A LATER DATE** | **(37,860)** | **(1,830)** |
| **TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY** | **(22,437)** | **(94,499)** |
| Of which Group share | (22,435) | (94,495) |
| Of which non-controlling interests | (2) | (4) |

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

| | 31/12/2017 | | | | 01/01/2018 | | | | Change 2018 | | | | 31/12/2018 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *In € thousands* | Gross | Tax | Net Income taxes | Net Group share | Gross | Tax | Net Income taxes | Net Group share | Gross | Tax | Net Income taxes | Net Group share | Gross | Tax | Net Income taxes | Net Group share |
| **GAINS AND LOSSES RECOGNISED DIRECTLY IN RECYCLABLE EQUITY** | | | | | | | | | | | | | | | | |
| Translation gains and losses | (29,884) | - | (29,884) | (29,884) | (29,884) | - | (29,884) | (29,884) | 24,298 | - | 24,298 | 24,298 | (5,587) | - | (5,587) | (5,587) |
| Gains and losses on available-for-sale assets | 32,069 | (3,509) | 28,560 | 28,560 | | | | | | | | | | | | |
| Gains and losses on debt instruments recognised under recyclable equity | | | | | 1,138 | (392) | 746 | 746 | (1,845) | 612 | (1,233) | (1,233) | (698) | 220 | (478) | (478) |
| Gains and losses on hedging derivative instruments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Net gains and losses recognised directly in recyclable equity excluding equity-accounted entities** | **2,185** | **(3,509)** | **(1,324)** | **(1,324)** | **(28,746)** | **(392)** | **(29,138)** | **(29,138)** | **22,452** | **612** | **23,064** | **23,064** | **(6,285)** | **220** | **(6,065)** | **(6,065)** |
| Net gains and losses recognised directly in recyclable equity of equity-accounted entities | (2,058) | - | (2,058) | (2,056) | (2,058) | - | (2,058) | (2,056) | (7,642) | | (7,642) | (7,642) | (9,698) | - | (9,698) | (9,698) |
| **Net gains and losses recognised directly in recyclable equity** | **127** | **(3,509)** | **(3,382)** | **(3,380)** | **(30,804)** | **(392)** | **(31,196)** | **(31,187)** | **14,810** | **612** | **15,423** | **15,423** | **(15,982)** | **220** | **(15,762)** | **(15,762)** |

| In € thousands | 31/12/2017 Gross | Tax | Net Income taxes | Net Group share | 01/01/2018 Gross | Tax | Net Income taxes | Net Group share | Change 2018 Gross | Tax | Net Income taxes | Net Group share | 31/12/2018 Gross | Tax | Net Income taxes | Net Group share |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **GAINS AND LOSSES RECOGNISED DIRECTLY IN NON-RECYCLABLE EQUITY** | | | | | | | | | | | | | | | | |
| Actuarial gains and losses on post-employment benefits | (18,481) | 4,875 | (13,606) | (13,576) | (18,481) | 4,875 | (13,606) | (13,576) | 1,024 | (226) | 798 | 801 | (17,457) | 4,649 | (12,806) | (12,773) |
| Gains and losses on equity instruments recognised in equity that may not be recycled to profit and loss | | | | | 14,253 | - | 14,253 | 14,253 | (38,657) | - | (38,657) | (38,657) | (24,408) | - | (24,408) | (24,408) |
| **Net gains and losses recognised directly in non-recyclable equity excluding equity-accounted companies** | **(18,481)** | **4,875** | **(13,606)** | **(13,576)** | **(4,228)** | **4,875** | **647** | **679** | **(37,633)** | **(226)** | **(37,860)** | **(37,857)** | **(41,865)** | **4,649** | **(37,214)** | **(37,181)** |
| Net gains and losses recognised directly in equity of equity-accounted entities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Net gains and losses recognised directly in non-recyclable equity** | **(18,481)** | **4,875** | **(13,606)** | **(13,576)** | **(4,228)** | **4,875** | **647** | **679** | **(37,633)** | **(226)** | **(37,860)** | **(37,857)** | **(41,865)** | **4,649** | **(37,214)** | **(37,181)** |
| **TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY** | **(18,354)** | **1,365** | **(16,989)** | **(16,956)** | **(35,032)** | **4,483** | **(30,549)** | **(30,508)** | **(22,823)** | **386** | **(22,437)** | **(22,435)** | **(57,848)** | **4,869** | **(52,978)** | **(52,944)** |

# Note 5 Notes on the balance sheet

## 5.1 CASH AND CENTRAL BANKS

| *In € thousands* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Cash | 40 | 43 |
| **TOTAL CASH AND CENTRAL BANKS** | **40** | **43** |

## 5.2 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| *In € thousands* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Financial assets held for trading | 2,456,384 | 2,660,310 |
| Derivative hedging instruments | - | 247 |
| Equity instruments at fair value through profit or loss | 565,912 | |
| Debt instruments that do not meet SPPI criteria: UCITS | 2,120,588 | |
| Financial assets at fair value through profit or loss as an option | 5,308,592 | 5,001,703 |
| **TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS** | **10,451,477** | **7,662,260** |

### 5.2.1 Financial assets held for trading

| *In € thousands* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Derivative trading instruments | 2,456,384 | 2,660,310 |
| of which, interest rate swaps | 72,742 | 147,106 |
| of which, stock and index swaps | 2,368,854 | 2,509,014 |
| **TOTAL FINANCIAL ASSETS HELD FOR TRADING** | **2,456,384** | **2,660,310** |

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

| | 31/12/2018 | | | 31/12/2017 | | |
|---|---|---|---|---|---|---|
| | Market value | | Notional amount | Market value | | Notional amount |
| *In € thousands* | Positive | Negative | | Positive | Negative | |
| **FAIR VALUE HEDGES** | | | | | | |
| Interest rate | - | 3,780 | 276,000 | 247 | (874) | 156,000 |

This heading refers to the hedges on Treasury Bills (OATs) held by Amundi in 2017 as collateral under the EMIR Regulation.

### 5.2.3 Other financial assets at fair value through profit or loss

| *In € thousands* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| **Equity instruments at fair value through profit or loss** | **565,912** | |
| Shares and other variable-income securities | 467,420 | 448,165 |
| Non-consolidated equity holdings | 98,492 | |
| **Debt instruments that do not meet SPPI criteria** | | |
| Funds | 2,120,588 | 1,193,900 |
| **Financial assets at fair value through profit or loss as an option** | | |
| Loans and receivables due from credit institutions | 2,613,627 | 1,089,088 |
| Bonds and other fixed-income securities | 2,694,965 | 2,270,550 |
| Treasury bills and similar securities | | - |
| **TOTAL OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS** | **7,995,093** | **5,001,703** |

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* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Financial liabilities held-for-trading | 2,677,526 | 2,646,382 |
| Derivative hedging instruments | 3,780 | 874 |
| Financial liabilities at fair value through profit or loss as an option | 5,532,017 | 3,772,826 |
| **TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS** | **8,213,323** | **6,420,082** |

### 5.3.1 Financial liabilities held-for-trading

| *In € thousands* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Derivative trading instruments | 2,677,526 | 2,646,382 |
| of *which,* interest rate swaps | 25,784 | 106,770 |
| of *which,* stock and index swaps | 2,635,554 | 2,528,928 |
| **TOTAL FINANCIAL LIABILITIES HELD FOR TRADING** | **2,677,526** | **2,646,382** |

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* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Debt securities | 5,532,017 | 3,772,826 |
| **TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS AS AN OPTION** | **5,532,017** | **3,772,826** |

This section records the securities issued by EMTN issuance vehicles for customers. The nominal value of the issues was €5,737,380 thousand at 31 December 2018 and €3,667,697 thousand at 31 December 2017.

## 5.4 INFORMATION ON THE NETTING OF FINANCIAL ASSETS AND LIABILITIES

### 5.4.1 Netting – Financial assets

**Effects of netting on financial assets under the master netting agreement and other similar agreements**

| | | | | Other amounts that can be netted under given conditions | | |
|---|---|---|---|---|---|---|
| **Type of transaction**<br>*In € thousands* | Gross amount liquid assets recognised before taking any netting into account<br>(a) | Gross amount of liabilities actually netted out<br>(b) | Net amount liquid assets assets shown in the condensed statements<br>(c) = (a) - (b) | Gross amount of financial liabilities covered by master netting agreement | Amounts of other financial instruments received as collateral, including security deposits<br>(d) | Net amount after taking the full effect of clearing<br>(e) = (c) - (d) |
| **31/12/2018** | | | | | | |
| Derivatives | 2,456,384 | - | 2,456,384 | 1,849,969 | 396,112 | 210,303 |
| **FINANCIAL ASSETS SUBJECT TO NETTING** | **2,456,384** | **-** | **2,456,384** | **1,849,969** | **396,112** | **210,303** |
| **31/12/2017** | | | | | | |
| Derivatives | 2,656,576 | | 2,656,576 | 1,460,064 | 900,015 | 296,497 |
| **FINANCIAL ASSETS SUBJECT TO NETTING** | **2,656,576** | **-** | **2,656,576** | **1,460,064** | **900,015** | **296,497** |

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

**Effects of netting on financial liabilities under the master netting agreement and other similar agreements**

| Type of transaction<br>*In € thousands* | Gross amount of liabilities recognised before taking any netting into account<br>(a) | Gross amount of assets actually netted<br>(b) | Net amount of financial liabilities shown in the condensed statements<br>(c) = (a) - (b) | Other amounts that can be netted under given conditions: Gross amount of financial assets covered by master netting agreement | Other amounts that can be netted under given conditions: Amounts of other financial instruments given as collateral, including security deposits<br>(d) | Net amount after taking the full effect of clearing<br>(e) = (c) - (d) |
|---|---|---|---|---|---|---|
| **31/12/2018** | | | | | | |
| Derivatives | 2,681,306 | - | 2,681,306 | 1,849,969 | 638,915 | 192,422 |
| **FINANCIAL LIABILITIES SUBJECT TO NETTING** | **2,681,306** | **-** | **2,681,306** | **1,849,969** | **638,915** | **192,422** |
| **31/12/2017** | | | | | | |
| Derivatives | 2,636,572 | - | 2,636,572 | 1,460,064 | 783,863 | 392,645 |
| **FINANCIAL LIABILITIES SUBJECT TO NETTING** | **2,636,572** | **-** | **2,636,572** | **1,460,064** | **783,863** | **392,645** |

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* | 31/12/2018 |
|---|---|
| **Debt instruments recognised at fair value through equity recyclable through profit and loss** | **297,142** |
| *Treasury bills and similar securities* | *297,142* |
| **Equity instruments recognised at fair value through equity not recyclable through profit and loss** | **188,809** |
| *Non-consolidated equity holdings* | *188,809* |
| **FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY** | **485,951** |

At 31 December 2017, available-for-sale securities were presented as follows:

| *In € thousands* | 31/12/2017 |
|---|---|
| Treasury bills and similar securities | 164,394 |
| Funds | 665,398 |
| Shares and other variable-income securities | 11,441 |
| Non-consolidated equity holdings | 338,008 |
| **Available-for-sale securities** | **1,179,241** |
| Available-for-sale receivables | - |
| Accrued interest | - |
| **TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS** | **1,179,241** |

Unrealised gains and losses on financial assets at fair value through equity

| In € thousands | 31/12/2018 | | |
|---|---|---|---|
| | Carrying amount | Unrealised gains | Unrealised losses |
| Treasury bills and similar securities | 297,142 | - | (714) |
| Bonds and other fixed-income securities | - | - | - |
| **Total debt instruments recognised at fair value through equity recyclable through profit and loss** | **297,142** | **-** | **(714)** |
| Income taxes | n.a. | | |
| **NET GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY ON DEBT INSTRUMENTS RECOGNISED AT FAIR VALUE THROUGH EQUITY RECYCLABLE THROUGH PROFIT AND LOSS (NET OF TAX)** | **N.A.** | **-** | **(714)** |
| Shares and other variable-income securities | - | - | - |
| Non-consolidated equity holdings | 188,809 | - | (24,408) |
| **Total equity instruments recognised at fair value through equity not recyclable through profit and loss** | **188,809** | **-** | **(24,408)** |
| Income taxes | n.a. | - | - |
| **NET GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY ON EQUITY INSTRUMENTS RECOGNISED AT FAIR VALUE THROUGH EQUITY NOT RECYCLABLE THROUGH PROFIT AND LOSS (NET OF TAXES).** | **N.A.** | **-** | **(24,408)** |

## 5.6 FINANCIAL ASSETS AT AMORTISED COST

| In € thousands | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Current accounts and overnight loans | 937,594 | 1,032,296 |
| Accounts and term deposits | 67,364 | 87,725 |
| Accrued interest | 221 | 167 |
| **TOTAL FINANCIAL ASSETS AT AMORTISED COST (NET VALUE)** | **1,005,180** | **1,120,188** |

*NB: At 31 December 2017, pursuant to IAS 39, these assets were classified as "Loans and receivables due from credit institutions".*

"Financial assets at amortised cost" are loans and receivables due from credit institutions primarily granted to Crédit Agricole group.

At 31 December 2018, the credit risk impairments were €2,469 thousand versus €2,128 thousand recognised at 1 January 2018 since the move to IFRS 9.

## 5.7 FINANCIAL LIABILITIES AT AMORTISED COST

| In € thousands | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Accounts and term deposits | 1,303,586 | 579,350 |
| Accrued interest | 1,109 | 952 |
| Current accounts | 8,960 | 22,729 |
| **TOTAL FINANCIAL LIABILITIES AT AMORTISED COST** | **1,313,655** | **603,031** |

*NB: At 31 December 2017, pursuant to IAS 39, these liabilities were classified as "Due to credit institutions".*

The main counterparty in respect of "financial liabilities at amortised cost" is the Crédit Agricole group.

## 5.8 SUBORDINATED DEBT

| *In € thousands* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Fixed-term subordinated debt | 303,826 | 303,859 |
| **TOTAL SUBORDINATED DEBT** | **303,826** | **303,859** |

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

## 5.9 CURRENT AND DEFERRED TAX ASSETS AND LIABILITIES

| *In € thousands* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Current tax receivables | 39,715 | 45,629 |
| Deferred tax assets | 154,550 | 155,526 |
| **TOTAL CURRENT AND DEFERRED TAX ASSETS** | **194,264** | **201,155** |
| Current tax debt | 107,683 | 93,779 |
| Deferred tax liabilities | 173,426 | 194,668 |
| **TOTAL CURRENT AND DEFERRED TAX LIABILITIES** | **281,109** | **288,447** |

At 31 December 2018, there were no deferred tax assets relating to the tax loss carryforwards recognised in the financial statements. The tax losses of €11,580 thousand relating to the Group’s US subsidiaries and active at 31 December 2017 have been used in the 2018 fiscal period.

## 5.10 ACCRUALS, PREPAYMENTS AND SUNDRY ASSETS AND LIABILITIES

### 5.10.1 Accruals, prepayments and sundry assets

| *In € thousands* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Miscellaneous debtors | 1,537,594 | 1,414,273 |
| Accrued income | 551,240 | 520,807 |
| Prepaid expenses | 165,295 | 198,679 |
| **ASSETS – TOTAL ACCRUALS, PREPAYMENTS AND SUNDRY ASSETS** | **2,254,128** | **2,133,759** |

Accruals, prepayments and sundry assets include management and performance fees due and the collateral paid for derivatives contracts. The collateral was recorded in balance sheet assets in the amount of €1,057,481 thousand at 31 December 2018 and €854,138 thousand at 31 December 2017.

### 5.10.2 Accruals, deferred income and sundry liabilities

| *In € thousands* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Miscellaneous creditors | 547,374 | 790,430 |
| Accrued expenses | 1,005,870 | 862,769 |
| Unearned income | 8,192 | 10,809 |
| Other accruals | 526,886 | 1,110,320 |
| **LIABILITIES – TOTAL ADJUSTMENT ACCOUNTS AND SUNDRY LIABILITIES** | **2,088,322** | **2,774,328** |

Accruals, deferred income and sundry liabilities include bonus debt, retrocessions payable to distributors and collateral received for derivatives contracts. The collateral was recorded in balance sheet liabilities in the amount of €465,364 thousand at 31 December 2018 and €1,041,601 thousand at 31 December 2017.

## 5.11 JOINT VENTURES AND ASSOCIATES

| *In € thousands* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Joint ventures | 12,679 | 12,274 |
| Associates | 251,134 | 168,528 |
| **ASSETS – INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES** | **263,812** | **180,802** |

| *In € thousands* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Joint ventures | 6,127 | 5,721 |
| Associates | 43,619 | 27,407 |
| **INCOME STATEMENT<br>SHARE OF NET INCOME OF EQUITY-ACCOUNTED ENTITIES** | **49,745** | **33,128** |

### 5.11.1 Joint ventures

Amundi has a stake in a joint venture, Fund Channel. The joint venture is presented in the table below. It is the only joint venture included in the "Investments in equity-accounted entities" item.

The equity-accounted value of this joint venture was €12,679 thousand at 31 December 2018 and €12,274 thousand at 31 December 2017.

| | 31/12/2018 | | | 31/12/2017 | | |
|---|---|---|---|---|---|---|
| *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 |
| Fund Channel | 12,679 | 5,722 | 6,127 | 12,274 | 4,672 | 5,721 |
| **NET BALANCE SHEET VALUE OF SHARES IN EQUITY-ACCOUNTED COMPANIES (JOINT VENTURES)** | **12,679** | | **6,127** | **12,274** | | **5,721** |

The summarised financial information on this joint venture is presented below:

| | 31/12/2018 | | | | 31/12/2017 | | | |
|---|---|---|---|---|---|---|---|---|
| *In € thousands* | NBI | Net income | Total assets | Equity | NBI | Net income | Total assets | Equity |
| Fund Channel | 26,812 | 14,404 | 131,448 | 29,217 | 25,787 | 13,367 | 140,574 | 28,180 |

### 5.11.2 Associates

At 31 December 2018, the equity-accounted value of associates was €251,134 thousand and €168,528 thousand at 31 December 2017.

Amundi has holdings in 6 associates. The holdings in equity-accounted companies are presented in the table below:

| | 31/12/2018 | | | 31/12/2017 | | |
|---|---|---|---|---|---|---|
| *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 | 23,465 | 2,954 | 3,852 | 22,538 | 3,122 | 3,170 |
| State Bank of India Fund Management (SBI FM) | 83,566 | 3,227 | 15,730 | 74,426 | 3,763 | 12,756 |
| ABC-CA | 120,722 | - | 19,773 | 35,971 | - | 8,583 |
| Wafa Gestion | 4,540 | 2,812 | 2,320 | 4,860 | 2,071 | 2,310 |
| Tobam Holding Company & Tobam (1) | 18,841 | 825 | 1,943 | 30,733 | 1,128 | 588 |
| **NET BALANCE SHEET VALUE OF SHARES IN EQUITY-ACCOUNTED COMPANIES (ASSOCIATES)** | **251,134** | | **43,619** | **168,528** | | **27,407** |

*(1) Revaluation of the value calculated under the equity method, offset by the recovery of an additional amount recorded at the time of the acquisition.*

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

| | 31/12/2018 | | | | 31/12/2017 | | | |
|---|---|---|---|---|---|---|---|---|
| *In € thousands* | NBI | Net income | Total assets | Equity | NBI | Net income | Total assets | Equity |
| NH-Amundi Asset Management | 35,432 | 12,840 | 87,719 | 77,231 | 29,753 | 10,568 | 81,546 | 75,126 |
| State Bank of India Fund Management (SBI FM) | 122,341 | 42,515 | 192,426 | 152,637 | 107,171 | 34,476 | 151,663 | 125,139 |
| ABC-CA | 108,034 | 59,319 | 420,247 | 365,571 | 68,263 | 25,751 | 135,677 | 107,913 |
| Wafa Gestion | 15,081 | 6,825 | 36,954 | 13,181 | 15,309 | 6,794 | 33,801 | 14,295 |
| Tobam Holding Company & Tobam | 26,400 | 8,600 | 35,050 | 13,400 | 26,356 | 5,659 | 40,417 | 9,540 |

## 5.12 TANGIBLE AND INTANGIBLE ASSETS

### 5.12.1 Tangible assets used in operations

| *In € thousands* | 01/01/2018 | Change in scope | Increase | Decrease | Foreign exchange gains and losses | Other movements | 31/12/2018 |
|---|---|---|---|---|---|---|---|
| Gross value | 196,320 | (156) | 12,998 | (5,087) | 964 | (87) | 204,953 |
| Depreciation, amortisation and provisions | (151,691) | 29 | (14,748) | 4,851 | (725) | (45) | (162,329) |
| **NON-CURRENT ASSETS NET TANGIBLE** | **44,630** | **(127)** | **(1,750)** | **(236)** | **239** | **(132)** | **42,624** |

| *In € thousands* | 01/01/2017 | Change in scope | Increase | Decrease | Foreign exchange gains and losses | Other movements | 31/12/2017 |
|---|---|---|---|---|---|---|---|
| Gross value | 110,506 | 84,331 | 9,456 | (6,351) | (1,484) | (138) | 196,320 |
| Depreciation, amortisation and provisions | (69,342) | (75,215) | (13,343) | 4,957 | 1,151 | 100 | (151,691) |
| **NON-CURRENT ASSETS PROPERTY, PLANT AND EQUIPMENT – NET** | **41,164** | **9,117** | **(3,887)** | **(1,394)** | **(333)** | **(38)** | **44,630** |

### 5.12.2 Intangible assets from operations

| *In € thousands* | 01/01/2018 | Change in scope | Increase | Decrease | Foreign exchange gains and losses | Other movements | 31/12/2018 |
|---|---|---|---|---|---|---|---|
| Gross value | 1,100,094 | 15 | 6,066 | (16,892) | 238 | 170 | 1,089,692 |
| Depreciation, amortisation and provisions | (476,932) | (15) | (85,133) | 16,692 | (46) | (30) | (545,464) |
| **NON-CURRENT ASSETS NET INTANGIBLE ASSETS** | **623,162** | **-** | **(79,067)** | **(199)** | **192** | **140** | **544,228** |

| *In € thousands* | 01/01/2017 | Change in scope | Increase | Decrease | Foreign exchange gains and losses | Other movements | 31/12/2017 |
|---|---|---|---|---|---|---|---|
| Gross value | 378,672 | 740,644 | 11,249 | (30,490) | 28 | (8) | 1,100,094 |
| Depreciation, amortisation and provisions | (270,783) | (181,817) | (54,316) | 30,135 | (154) | 5 | (476,932) |
| **NON-CURRENT ASSETS NET INTANGIBLE ASSETS** | **107,888** | **558,827** | **(43,068)** | **(355)** | **(126)** | **(3)** | **623,162** |

Intangible assets consist primarily of:

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

## 5.13 GOODWILL

Goodwill totalled €5,695.5 million at 31 December 2018 versus €5,674.1 million at 31 December 2017. The change over this period was due to exchange rate fluctuations over the period.

The goodwill consists of the following other main items:

- goodwill recognised upon the transfer by Crédit Agricole Indosuez of its asset management business in December 2003 for €377.9 million;
- 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 at the time of the acquisition of Pioneer Investments for a total of €2,537.3 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 2018 was carried out using results forecasts for the 2019-2022 period. The results forecasts were primarily based on the following assumptions about the economic environment:

- market assumptions taking account of corrections occurring in late 2018;
- market assumptions remaining low in 2019, principally on account of the equity markets and the uncertain political environment;
- from 2020, the market context shall be increasingly favourable with a moderate increase to the equity markets and a continuing increase in rates.

Amundi used a perpetual growth rate of 2% for the tests at 31 December 2018 and 2017 and a discount rate of 8.37% for the test at 31 December 2018 (compared to 8.11% for the tests at 31 December 2017).

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 of 31 December 2018.

## 5.14 PROVISIONS

| *In € thousands* | 01/01/2018 | Change in scope | Increase | Decr. and rep. not used | Reversals used | Foreign exchange differences | Other movements | 31/12/2018. |
|---|---|---|---|---|---|---|---|---|
| Provisions for execution risk[(1)] | 15,971 | - | 18,435 | (1,160) | (457) | - | (1,815) | 30,974 |
| Provisions for operational risk | 1,178 | | | | (35) | | | 1,143 |
| Provisions for employee expenses | 149,858 | - | 5,407 | (1,551) | (30,094) | 88 | (873) | 122,836 |
| Provisions for litigation | 32,911 | | 10,252 | (6,130) | (2,410) | - | 20 | 34,643 |
| Provisions for other risks | 28,287 | 26 | 2,517 | (6,882) | (8,314) | 68 | 3,423 | 19,127 |
| **PROVISIONS** | **228,205** | **26** | **36,611** | **(15,723)** | **(41,310)** | **156** | **756** | **208,723** |

*(1) The balance at 1 January 2018 takes account of the impact of IFRS 9's entry into force.*

See note 6.2.7.2 on the effects of the transition from the IAS 39 depreciation model and the IFRS value adjustments.

| *In € thousands* | 01/01/2017 | Change in scope | Increase | Decr. and rep. not used | Reversals used | Foreign exchange gains and losses | Other movements | 31/12/2017 |
|---|---|---|---|---|---|---|---|---|
| Provisions for execution risk | 1,863 | 10,652 | 1,664 | (141) | | | | 14,038 |
| Provisions for operational risk | | 981 | 200 | | (3) | | | 1,178 |
| Provisions for employee expenses | 46,544 | 42,825 | 65,186 | (1,221) | (4,165) | (132) | 821 | 149,858 |
| Provisions for litigation | 11,596 | 15,710 | 8,695 | (2,606) | (484) | | | 32,911 |
| Provisions for other risks | 12,751 | 611 | 17,265 | (318) | (1,985) | (37) | | 28,287 |
| **PROVISIONS** | **72,754** | **70,779** | **93,010** | **(4,286)** | **(6,637)** | **(169)** | **821** | **226,272** |

As of 31 December 2018, disputes and other risks have a foreseeable expiration of less than 2 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 2018, the allocation of share capital and voting rights was as follows:

| Shareholders | Number of securities | % of share capital | % voting rights |
|---|---|---|---|
| Crédit Agricole S.A. | 137,606,739 | 68.22% | 68.50% |
| Other Crédit Agricole group companies | 3,450,660 | 1.71% | 1.72% |
| Employees | 602,329 | 0.30% | 0.30% |
| Treasury stock | 814,081 | 0.40% | - |
| Float | 59,230,545 | 29.37% | 29.48% |
| **TOTAL SECURITIES** | **201,704,354** | **100.00%** | **100.00%** |

In the 2018 fiscal period there was an increase in capital reserves for Amundi employees which led to the issue of 193,792 shares (see the section "Period Highlights").

### 5.15.2 Dividends allocated

In 2018, in accordance with the decision made during the ordinary general meeting of 15 May 2018, Amundi paid its shareholders a dividend of €2.50 per share, *i.e.* a total of €503.6 million for fiscal year 2017.

The dividend distribution by shareholder was as follows:

| *In € thousands* | For fiscal year 2017 | For fiscal year 2016 |
|---|---|---|
| Crédit Agricole S.A. | 344,017 | 302,735 |
| Other Crédit Agricole group companies | 8,627 | 7,591 |
| Employees | 1,046 | 921 |
| Float | 149,911 | 132,058 |
| Société Générale | | |
| **TOTAL DIVIDENDS** | **503,601** | **443,305** |

### 5.15.3 Calculation of earnings per share

| | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Net income – Group share for the period *(in € thousands)* | 855,004 | 681,294 |
| Average weighted number of ordinary shares outstanding during the period | 201,591,264 | 192,401,181 |
| **BASIC EARNINGS PER SHARE** *(in €)* | **4.24** | **3.54** |

The basic earnings per share is identical to the diluted earnings per share in the absence of diluting instruments on the capital.

# Note 6 Employee benefits and other compensation

## 6.1 HEADCOUNT

| | 2018 | 2017 | 2017 |
|---|---|---|---|
| **Workforce for the period**<br>*Full-time equivalent – FTE* | Average headcount | Average headcount | End of period headcount |
| France | 2,088.7 | 2,127.6 | 2,119.7 |
| Other European Union jurisdictions | 1,499.1 | 1,030.5 | 1,583.4 |
| Other European jurisdictions | 9.7 | 9.8 | 10.0 |
| North America | 494.8 | 285.1 | 516.5 |
| Central and South America | 8.4 | 3.6 | 8.0 |
| Africa and Middle East | 6.6 | 6.5 | 6.0 |
| Asia and Oceania (excluding Japan) | 151.9 | 175.5 | 186.0 |
| Japan | 171.9 | 180.9 | 176.1 |
| **TOTAL HEADCOUNT** | **4,431.2** | **3,819.5** | **4,605.7** |

## 6.2 ANALYSIS OF EMPLOYEE EXPENSES

| *In € thousands* | 2018 | 2017 |
|---|---|---|
| Salaries | (610,478) | (551,058) |
| Retirement fund contributions | (40,252) | (32,957) |
| Social charges and taxes | (159,913) | (154,124) |
| Other | (46,357) | (107,606) |
| **TOTAL EMPLOYEE EXPENSES** | **(857,000)** | **(845,744)** |

Following the introduction of the tax credit for competitiveness and employment (*Crédit d'impôt pour la compétitivité et l'emploi* – CICE, in accordance with Article 244 quater C of the French General Tax Code, applicable as of 1 January 2013) Amundi recognised the amount of €461 thousand at 31 December 2018 and €555 thousand at 31 December 2017 as a deduction from its operating expenses under "Employee expenses and taxes."

## 6.3 POST-EMPLOYMENT BENEFITS, DEFINED-CONTRIBUTION PLANS

There are several compulsory 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 generate sufficient revenue to cover all benefits corresponding to services rendered by employees during the year and during prior years. Accordingly, Amundi Group entities have no liabilities in this respect other than the contributions payable. Contributions for defined-contribution plans amounted to €40,865 thousand at 31 December 2018 and €33,654 thousand at 31 December 2017.

## 6.4 POST-EMPLOYMENT BENEFITS, DEFINED-BENEFIT PLANS

### Change in actuarial liabilities

| | 31/12/2018 | | | 31/12/2017 |
|---|---|---|---|---|
| *In € thousands* | Euro zone | Non-euro zone | All zones | All zones |
| **Actuarial liability at 31/12/N-1** | **119,085** | **6,598** | **125,683** | **65,382** |
| Translation adjustment | - | 442 | 442 | (607) |
| Cost of services rendered during the period | 4,442 | 998 | 5,440 | 5,331 |
| Financial cost | 1,746 | 15 | 1,761 | 1,222 |
| Employee contributions | 39 | - | 39 | 26 |
| Benefit plan changes, withdrawals and settlement | (5,307) | - | (5,307) | - |
| Change in scope | 45 | - | 45 | 55,463 |
| Benefits paid (compulsory) | (3,286) | (901) | (4,187) | (1,923) |
| Taxes, administrative expenses and bonuses | - | - | - | - |
| Actuarial (gains) losses related to demographic assumptions[1] | (1,118) | (88) | (1,206) | 235 |
| Actuarial (gains) losses related to financial assumptions | (781) | (27) | (808) | 553 |
| **ACTUARIAL LIABILITY AT 31/12/N** | **114,865** | **7,036** | **121,901** | **125,683** |

*(1) Of which actuarial differences connected with experience adjustments.*

### Expense recognised in profit and loss

| | 31/12/2018 | | | 31/12/2017 |
|---|---|---|---|---|
| *In € thousands* | Euro zone | Non-euro zone | All zones | All zones |
| Cost of services | (865) | 998 | 133 | 5,331 |
| Net interest expense (income) | 1,093 | 2 | 1,095 | 703 |
| **IMPACT ON INCOME STATEMENT AT 31/12/N** | **228** | **999** | **1,227** | **6,033** |

### Non-recyclable gains and losses recognised in other comprehensive income and changes in actuarial differences

| *In € thousands* | 31/12/2018 Euro zone | 31/12/2018 Non-euro zone | 31/12/2018 All zones | 31/12/2017 All zones |
|---|---|---|---|---|
| Revaluation of the net liability (or asset) | | | | |
| **Cumulative amount of actuarial differences in other non-recyclable items of comprehensive income at 31/12/N-1** | **17,098** | **1,364** | **18,462** | **17,690** |
| Translation adjustment | - | 91 | 91 | (138) |
| Actuarial (gains) losses on assets | 799 | 99 | 898 | 121 |
| Actuarial (gains) losses related to demographic assumptions* | (1,118) | (88) | (1,206) | 235 |
| Actuarial (gains) losses related to financial assumptions | (781) | (27) | (808) | 553 |
| Adjustment of asset restriction | - | | - | - |
| **Items immediately recognised in other items of comprehensive income during the period (actuarial gains and losses on post-employment benefits)** | **(1,100)** | **76** | **(1,024)** | **773** |
| **CUMULATIVE AMOUNT OF ACTUARIAL DIFFERENCES IN OTHER NON-RECYCLABLE ITEMS OF COMPREHENSIVE INCOME AT 31/12/N** | **15,998** | **1,440** | **17,438** | **18,462** |

* *Of which actuarial differences connected with experience adjustments.*

### Change in the fair value of assets

| *In € thousands* | 31/12/2018 Euro zone | 31/12/2018 Non-euro zone | 31/12/2018 All zones | 31/12/2017 All zones |
|---|---|---|---|---|
| **Fair value of assets at 31/12/N-1** | **44,101** | **5,890** | **49,991** | **28,756** |
| Translation adjustment | - | 392 | 392 | (536) |
| Interest on assets (income) | 653 | 13 | 666 | 519 |
| Actuarial gains (losses) | (799) | (99) | (898) | (121) |
| Employer contributions | (39) | 902 | 863 | 930 |
| Employee contributions | 39 | | 39 | 26 |
| Benefit plan changes, withdrawals and settlement | - | | | 52 |
| Change in scope | - | | | 21,877 |
| Taxes, administrative expenses and bonuses | - | | | - |
| Benefits paid by the fund | (877) | (901) | (1,778) | (1,514) |
| **FAIR VALUE OF ASSETS AT 31/12/N** | **43,078** | **6,196** | **49,274** | **49,991** |

### Net position

| *In € thousands* | 31/12/2018 Euro zone | 31/12/2018 Non-euro zone | 31/12/2018 All zones | 31/12/2017 All zones |
|---|---|---|---|---|
| **Actuarial liability end of period** | **114,865** | **7,036** | **121,901** | **125,683** |
| Impact of asset restriction | | | - | - |
| Fair value of assets at end of period | (43,078) | (6,196) | (49,274) | (49,991) |
| **NET POSITION END OF PERIOD (LIABILITIES)** | **71,787** | **840** | **72,627** | **75,692** |

### Defined-benefit plans – main actuarial assumptions

| | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Amundi Asset Management Plan & other plans discount rate | 1.37% | 1.37% |
| Amundi Deutschland GMBH discount rate | 1.63% | 1.63% |
| Expected rate of salary increas | 2.00% | 2.00% |

Asset allocation at 31/12/2018

| *In € thousands* | Euro zone | | | Non-euro zone | | | All zones | | |
|---|---|---|---|---|---|---|---|---|---|
| | As a % | Amount | O/w listed | As a % | Amount | O/w listed | As a % | Amount | O/w listed |
| Equity | 4.96% | 2,138 | 2,138 | - | - | - | 4.34% | 2,138 | 2,138 |
| Bonds | 37.73% | 16,252 | 16,252 | - | - | - | 32.98% | 16,252 | 16,252 |
| Real Estate | 2.98% | 1,283 | - | - | - | - | 2.60% | 1,283 | - |
| Other assets | 54.33% | 23,405 | - | 100.00% | 6,196 | - | 60.07% | 29,601 | - |
| **FAIR VALUE OF ASSETS** | **100.00%** | **43,078** | **18,390** | **100.00%** | **6,196** | **-** | **100.00%** | **49,274** | **18,390** |

At 31 December 2018, the data for France showed an actuarial liability of €57,818 thousand, a fair value of assets of €21,386 thousand and a net end-of-period position of €36,432 thousand.

Sensitivity to discount rates at 31 December 2018:

- a change of more than 50 bps in the discount rate could lead to a decrease in commitments of -7.90%;
- a change of less than 50 bps in the discount rate could lead to an increase in commitments of 8.76%.

## 6.5 SHARE-BASED PAYMENTS

### Amundi performance share plans

An expense of €27,571 thousand for share-based payments was recognised in employee expenses for the period ended 31 December 2017 in respect of Amundi performance share plans for Group employees.

This award scheme is described below:

| Performance share plan | | | | |
|---|---|---|---|---|
| Date of general meeting authorising share plan | 30/09/2015 | 30/09/2015 | 18/05/2017 | 18/05/2017 |
| Date of Board meeting | 11/02/2016 | 09/02/2017 | 13/12/2017 | 01/08/2018 |
| Date of allocation of shares | 11/02/2016 | 09/02/2017 | 13/12/2017 | 01/08/2018 |
| Number of shares allocated | 235,160 | 139,930 | 1,551,750 | 98,310 |
| Methods of payment | Amundi shares | Amundi shares | Amundi shares | Amundi shares |
| Vesting period | 11/02/2016<br>11/02/2019 | 09/02/2017<br>09/02/2020 | 01/07/2017<br>31/12/2021 | 01/07/2018<br>31/12/2021 |
| Performance conditions(1) | Yes | Yes | Yes | Yes |
| Continued employment condition | Yes | Yes | Yes | Yes |
| Cancelled or voided equities during the period | 10,874 | 8,168 | 165,550 | - |
| Shares remaining at 31 December 2018 | 224,286 | 131,762 | 1,386,200 | 98,310 |
| Fair value of one share – Tranche 1 | €26.25 | €43.41 | €67.12 | €52.27 |
| Fair value of one share – Tranche 2 | n.a. | n.a. | €63.69 | €48.78 |
| Fair value of one share – Tranche 3 | n.a. | n.a. | €59.85 | n.a. |

*(1) The performance conditions are based on net income group share (NIGS), the amount of new assets and the Group's cost-to-income ratio.*

Amundi measures the shares awarded and recognises an expense determined on the grant 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 2018 and 2017 fiscal years taken into account in Amundi's consolidated financial statements were €9,579 thousand and €8,203 thousand, respectively. They include gross fixed and variable compensation, benefits in kind, retirement benefits and the expense for the supplementary retirement scheme implemented for the key executives of the Group. The compensation breaks down as follows:

| *In € thousands* | **2018** | **2017** |
|---|---|---|
| Gross compensation, employer contributions and benefits in kind | 7,324 | 6,804 |
| Post-employment benefits | 384 | 394 |
| Other long-term benefits | - | - |
| Severance payments | - | - |
| Cost of option and other plans | 1,871 | 1,005 |
| **TOTAL COMPENSATION AND BENEFITS** | **9,579** | **8,203** |

In addition, the directors' fees paid in respect of 2018 and 2017 are presented in the table below:

| *In € thousands* | **2018** | **2017** |
|---|---|---|
| Directors' fees | 262 | 302 |

# 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 Value Adjustment or CVA) intended to include the credit risk associated with the counterparty in the valuation of derivative instruments (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 assets;
- a value adjustment for the credit risk for our Company (Debt Value Adjustment – DVA) intended to integrate the risk associated with our counterparties in the valuation of derivative instruments. 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 liabilities.

## 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 through profit or loss 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 the balance sheet financial assets and liabilities valued at fair value and classified by fair value level:

| *In € thousands* | Total 31/12/2018 | Prices listed 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** | **2,456,384** | **-** | **2,456,384** | **-** |
| Derivative instruments | 2,456,384 | - | 2,456,384 | - |
| **Financial assets at fair value through profit or loss** | **7,995,093** | **4,797,272** | **3,184,081** | **13,740** |
| Equity instruments | 565,912 | 27,566 | 538,346 | - |
| Shares and other variable-income securities | 467,420 | - | 467,420 | - |
| Non-consolidated equity holdings | 98,492 | 27,566 | 70,926 | - |
| Debt instruments that do not meet SPPI criteria | 2,120,588 | 2,074,741 | 32,107 | 13,740 |
| Funds | 2,120,588 | 2,074,741 | 32,107 | 13,740 |
| Assets backing unit-linked contracts | - | - | - | - |
| Financial assets at fair value through profit or loss as an option | 5,308,592 | 2,694,965 | 2,613,627 | - |
| Bonds and other fixed-income securities | 2,694,965 | 2,694,965 | - | - |
| Loans and receivables due from credit institutions | 2,613,627 | - | 2,613,627 | - |
| Treasury bills and similar securities | - | - | - | - |
| **Financial assets recognised in equity** | **485,951** | **485,951** | **-** | **-** |
| Equity instruments recognised in equity not recyclable through profit and loss | 188,809 | 188,809 | - | - |
| Shares and other variable-income securities | - | - | - | - |
| Non-consolidated equity holdings | 188,809 | 188,809 | - | - |
| Debt instruments recognised in equity recyclable through profit and loss | 297,142 | 297,142 | - | - |
| Treasury bills and similar securities | 297,142 | 297,142 | - | - |
| **Derivative hedging instruments** | | **-** | **-** | **-** |
| **TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE** | **10,937,428** | **5,283,223** | **5,640,465** | **13,740** |

| *In € thousands* | Total 31/12/2017 | Prices listed 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** | **2,660,557** | **-** | **2,660,557** | **-** |
| 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 | - | - | - | - |
| Shares and other variable-income securities | - | - | - | - |
| Derivative instruments | 2,660,557 | - | 2,660,557 | - |
| **Financial assets at fair value through profit or loss as an option** | **5,001,703** | **3,464,450** | **1,537,253** | **-** |
| Assets backing unit-linked contracts | - | - | - | - |
| Securities designated at fair value through profit or loss | 3,912,615 | 3,464,450 | 448,165 | - |
| Treasury bills and similar securities | - | - | - | - |
| Funds | 1,193,900 | 1,193,900 | - | - |
| Bonds and other fixed-income securities | 2,270,550 | 2,270,550 | - | - |
| Shares and other variable-income securities | 448,165 | - | 448,165 | - |
| Loans and receivables due from credit institutions | 1,089,088 | - | 1,089,088 | - |
| **Available-for-sale financial assets** | **1,179,241** | **1,077,238** | **96,285** | **5,718** |
| Treasury bills and similar securities | 164,394 | 164,394 | - | - |
| Funds | 665,398 | 657,874 | 1,806 | 5,718 |
| Shares and other variable-income securities, non-consolidated equity holdings | 349,449 | 254,970 | 94,479 | - |
| Available-for-sale receivables | - | - | - | - |
| **TOTAL FINANCIAL ASSETS VALUED AT FAIR VALUE** | **8,841,501** | **4,541,688** | **4,294,095** | **5,718** |

## 7.4 FINANCIAL LIABILITIES AT FAIR VALUE ON THE BALANCE SHEET

| *In € thousands* | Total 31/12/2018 | Prices listed 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** | **2,677,526** | **-** | **2,677,526** | **-** |
| Due to credit institutions | - | - | - | - |
| Derivative instruments | 2,677,526 | - | 2,677,526 | - |
| **Derivative hedging instruments** | **3,780** | **-** | **3,780** | **-** |
| **Financial liabilities at fair value through profit or loss as an option** | **5,532,017** | **-** | **5,532,017** | **-** |
| **TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE** | **8,213,323** | **-** | **8,213,323** | **-** |

| *In € thousands* | Total 31/12/2017 | Prices listed 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** | **2,647,256** | **-** | **2,647,256** | **-** |
| Due to credit institutions | - | - | - | - |
| Derivative instruments | 2,647,256 | - | 2,647,256 | - |
| **Financial liabilities at fair value through profit or loss as an option** | **3,772,826** | **-** | **3,772,826** | **-** |
| **TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE** | **6,420,082** | **-** | **6,420,082** | **-** |

## 7.5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT COST

Financial assets and liabilities valued at cost primarily include loans 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 posted and received is recognised at its fair value under "Accruals, prepayments and sundry assets" and "Accruals, deferred income and sundry liabilities".

Amundi Group considers that the amortised cost of loans 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 customers. The 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 intervene as sponsors of structured entities:

- 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 of 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.

| | 31/12/2018 | | | |
|---|---|---|---|---|
| | Asset management | | | |
| | | Maximum loss | | |
| *In € thousands* | Value on the balance sheet | Maximum exposure to loss risk | Guarantees received and other credit enhancements | Net exposure |
| Financial assets held for trading | 696,032 | 696,032 | - | 696,032 |
| Debt instruments that do not meet SPPI criteria: UCITS | 1,404,719 | 1,404,719 | - | 1,404,719 |
| Financial assets at fair value through equity | - | - | - | - |
| Financial assets at amortised cost | - | - | - | - |
| **Assets recognised with respect to non-consolidated structured entities** | **2,100,751** | **2,100,751** | **-** | **2,100,751** |
| Equity instruments | - | n.a. | n.a. | - |
| Financial liabilities held-for-trading | 832,747 | 832,747 | - | 832,747 |
| Financial liabilities at fair value through profil or loss | - | - | - | |
| Debt | - | n.a. | n.a. | - |
| **Liabilities with respect to non-consolidated structured entities** | **832,747** | | | **832,747** |
| Commitments given | | | | |
| Financing commitments | n.a. | - | - | |
| Guarantee commitments | n.a. | 20,128,859 | 301,937 | 19,826,922 |
| Other | n.a. | - | - | |
| Provisions for financing execution risk for commitments made | n.a. | (30,974) | - | (30,974) |
| **Off-balance sheet commitments net of provisions with respect to non-consolidated structured entities** | **n.a.** | **20,097,885** | **301,937** | **19,795,948** |
| **BALANCE SHEET TOTAL OF NON-CONSOLIDATED STRUCTURED ENTITIES** | **94,701,409** | **N.A.** | **N.A.** | **N.A.** |

| | 31/12/2017 | | | |
|---|---|---|---|---|
| | Asset management | | | |
| | | Maximum loss | | |
| *In € thousands* | Value on the balance sheet | Maximum exposure to loss risk | Guarantees received and other credit enhancements | Net exposure |
| Financial assets held for trading | 704,693 | 704,693 | - | 704,693 |
| Financial assets at fair value through profit or loss as an option | 812,915 | 812,915 | - | 812,915 |
| Available-for-sale financial assets | 664,983 | 664,983 | - | 664,983 |
| Loans and receivables | - | - | - | - |
| Held-to-maturity (HTM) financial assets | - | - | - | - |
| **Assets recognised with respect to non-consolidated structured entities** | **2,182,591** | **2,182,591** | **-** | **2,182,591** |
| Equity instruments | - | n.a. | n.a. | - |
| Financial liabilities held for trading | 1,415,686 | n.a. | n.a. | 1,415,686 |
| Financial liabilities at fair value through profit or loss as an option | - | n.a. | n.a. | - |
| Debt | - | n.a. | n.a. | - |
| **Liabilities with respect to non-consolidated structured entities** | **1,415,686** | | | **1,415,686** |
| Commitments given | | | | |
| Financing commitments | n.a. | - | - | |
| Guarantee commitments | n.a. | 21,322,324 | - | 21,322,324 |
| Other | n.a. | - | - | |
| Provisions – Commitments made | n.a. | (20,333) | - | (20,333) |
| **Off-balance sheet commitments net of provisions with respec to non-consolidated structured entities** | **n.a.** | **21,301,991** | **-** | **21,301,991** |
| **BALANCE SHEET TOTAL OF NON-CONSOLIDATED STRUCTURED ENTITIES** | **86,013,577** | **N.A.** | **N.A.** | **N.A.** |

Information relating to parts of the funds held by Amundi and recorded under the heading “debt instruments not fulfilling the SPPI UCITS” does not include consolidated funds nor those where the Group only holds part (founders’ shares).

The amount on the line “Total balance sheet of non-consolidated structured entities” 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 €30,974 thousand at 31 December 2018 and €20,333 thousand at 31 December 2017.

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, outstandings) 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 € millions* | 2018 | 2017 |
|---|---|---|
| *Retail* | 1,832 | 1,413 |
| Institutional investors | 659 | 615 |
| Institutional investors, Corporate and employee savings and retirement | 518 | 477 |
| Insurers(1) | 141 | 139 |
| **Net fee and commission income** | **2,491** | **2,029** |
| Performance fees | 115 | 175 |
| **Total net asset management revenues** | **2,606** | **2,204** |
| Net financial income | (25) | 97 |
| Other net income | (71) | (43) |
| **TOTAL NET REVENUES** | **2,510** | **2,257** |

*(1) Crédit Agricole Group.*

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

| *In € millions* | 2018 | 2017 |
|---|---|---|
| France | 1,205 | 1,334 |
| Abroad | 1,305 | 923 |
| **TOTAL NET REVENUES** | **2,510** | **2,257** |

The net revenue breakdown is based on the location at which the accounting information is recorded.

## 9.2 RELATED PARTIES

### 9.2.1 Scope of related parties

Related parties are companies 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 the transactions with related parties

Amundi has commercial relationships with companies in the Crédit Agricole group.

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

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

### 9.2.3 Related party transactions

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** | **2018** | **2017** |
| Net interest and similar income | (11,370) | (9,200) |
| Net fee and commission income | (306,521) | (284,623) |
| Other net income | (15,168) | (10,148) |
| Operating expenses | (9,311) | (8,272) |
| **BALANCE SHEET** | **31/12/2018** | **31/12/2017** |
| **Assets** | | |
| Loans and receivables due from credit institutions | 368,695 | 341,158 |
| Accruals, prepayments and sundry assets | 95,584 | 70,595 |
| Financial assets at fair value through profit or loss | 5,462,564 | 3,440,397 |
| **Equity and liabilities** | | |
| Subordinated debt | 303,826 | 303,859 |
| Due to credit institutions | 1,310,865 | 576,476 |
| Accruals, deferred income and sundry liabilities | 208,515 | 202,948 |
| Financial liabilities at fair value through profil or loss | 227,100 | 104,172 |
| **Off-balance sheet items** | | |
| Guarantees given | 3,850,707 | 2,066,196 |
| Guarantees received | - | - |

| *In € thousands* | Joint ventures and associates | |
|---|---|---|
| **NET INCOME** | **2018** | **2017** |
| Net interest and similar income | - | - |
| Net fee and commission income | (3,102) | (3,470) |
| Operating expenses | - | - |
| **BALANCE SHEET** | **31/12/2018** | **31/12/2017** |
| **Assets** | | |
| Loans and receivables due from credit institutions | - | - |
| Accruals, prepayments and sundry assets | 310 | 569 |
| Financial assets at fair value through profit or loss | - | - |
| **Equity and liabilities** | | |
| Due to credit institutions | - | - |
| Accruals, deferred income and sundry liabilities | 940 | 1,158 |
| **Off-balance sheet items** | | |
| Guarantees given | - | - |
| Guarantees received | - | - |

## 9.3 SCOPE OF CONSOLIDATION

| Consolidated companies | Change in scope | Method | 31/12/2018 % control | 31/12/2018 % interest | 31/12/2017 % control | 31/12/2017 % interest | 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 EMISSIONS | | 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 INTERMEDIATION | | Full | 100.0 | 100.0 | 100.0 | 100.0 | France |
| AMUNDI ISSUANCE | | Full | 100.0 | 100.0 | 100.0 | 100.0 | France |
| AMUNDI IT SERVICES | | Full | 95.4 | 95.4 | 95.4 | 95.4 | France |
| AMUNDI PRIVATE EQUITY FUND | | Full | 100.0 | 100.0 | 100.0 | 100.0 | France |
| AMUNDI TENUE DE COMPTES | | Full | 100.0 | 100.0 | 100.0 | 100.0 | France |
| AMUNDI VENTURES | | Full | 100.0 | 100.0 | 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 |
| ETOILE GESTION | | Full | 100.0 | 100.0 | 100.0 | 100.0 | France |
| LCL EMISSIONS | | Full | 100.0 | 100.0 | 100.0 | 100.0 | France |
| SOCIETE GENERALE GESTION | | Full | 100.0 | 100.0 | 100.0 | 100.0 | France |
| TOBAM HOLDING COMPANY | | Equity-accounted | 25.6 | 25.6 | 25.6 | 25.6 | France |
| TOBAM | | Equity-accounted | 4.1 | 20.0 | 4.1 | 20.0 | France |
| **FUNDS AND OPCI** | | | | | | | |
| ACACIA | | Full | 100.0 | 100.0 | 100.0 | 100.0 | France |
| 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 | 99.7 | 99.7 | France |
| GENAVENT | Exit | Full | - | - | 52.3 | 52.3 | 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 | | Full | 97.2 | 97.2 | 97.2 | 97.2 | France |
| RED CEDAR | | Full | 100.0 | 100.0 | 100.0 | 100.0 | France |
| AMUNDI PE SOLUTION ALPHA | Entry | Full | 100.0 | 100.0 | - | - | France |

| Consolidated companies | Change in scope | Method | 31/12/2018 % control | 31/12/2018 % interest | 31/12/2017 % control | 31/12/2017 % interest | Principal place of business |
|---|---|---|---|---|---|---|---|
| **FOREIGN COMPANIES** | | | | | | | |
| AMUNDI DEUTSCHLAND GMBH | | Full | 100.0 | 100.0 | 100.0 | 100.0 | Germany |
| PIONEER GLOBAL INVESTMENTS LTD BUENOS AIRES BRANCH (2) | | Full | 100.0 | 100.0 | 100.0 | 100.0 | Argentina |
| PIONEER GLOBAL INVESTMENTS (AUSTRALIA) PTY LIMITED Full | Exit | Full | - | - | 100.0 | 100.0 | Australia |
| AMUNDI AUSTRIA | Merger | Full | - | - | 100.0 | 100.0 | Austria |
| 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 (4) | | Full | 100.0 | 100.0 | 100.0 | 100.0 | Bulgaria |
| PIONEER GLOBAL INVESTMENTS LTD SANTIAGO BRANCH (2) | | 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 |
| NH-AMUNDI ASSET MANAGEMENT | | Equity-accounted | 30.0 | 30.0 | 30.0 | 30.0 | Korea |
| PIONEER GLOBAL INVESTMENTS LTD JELLING BRANCH (2) | | Full | 100.0 | 100.0 | 100.0 | 100.0 | Denmark |
| 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 |
| PIONEER GLOBAL INVESTMENTS LTD MADRID BRANCH (2) | | Full | 100.0 | 100.0 | 100.0 | 100.0 | Spain |
| AMUNDI DISTRIBUTORS USA LLC | Merger | Full | - | - | 100.0 | 100.0 | United States |
| AMUNDI SMITH BREEDEN | Merger | Full | - | - | 100.0 | 100.0 | United States |
| AMUNDI USA INC | | Full | 100.0 | 100.0 | 100.0 | 100.0 | United States |
| AMUNDI PIONEER ASSET MANAGEMENT USA, INC | | Full | 100.0 | 100.0 | 100.0 | 100.0 | United States |
| AMUNDI PIONEER ASSET MANAGEMENT, INC. | | Full | 100.0 | 100.0 | 100.0 | 100.0 | United States |
| AMUNDI PIONEER DISTRIBUTOR, INC. | | Full | 100.0 | 100.0 | 100.0 | 100.0 | United States |
| AMUNDI PIONEER INSTITUTIONAL ASSET MANAGEMENT, INC. | | Full | 100.0 | 100.0 | 100.0 | 100.0 | United States |
| VANDERBILT CAPITAL ADVISORS LLC | | Full | 100.0 | 100.0 | 100.0 | 100.0 | United States |
| PIONEER GLOBAL INVESTMENTS LTD PARIS BRANCH (2) | | Full | 100.0 | 100.0 | 100.0 | 100.0 | France |
| AMUNDI HELLAS | | Full | 100.0 | 100.0 | 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 | | Equity-accounted | 37.0 | 37.0 | 37.0 | 37.0 | India |
| 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 |

| Consolidated companies | Change in scope | Method | 31/12/2018 % control | 31/12/2018 % interest | 31/12/2017 % control | 31/12/2017 % interest | Principal place of business |
|---|---|---|---|---|---|---|---|
| PIONEER GLOBAL INVESTMENTS LTD | | Full | 100.0 | 100.0 | 100.0 | 100.0 | Ireland |
| AMUNDI IRELAND LTD | | Full | 100.0 | 100.0 | 100.0 | 100.0 | Ireland |
| AMUNDI INTERMEDIATION DUBLIN BRANCH (6) | Entry | Full | 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 |
| PIONEER INVESTMENT MANAGEMENT SGR PA | Merger | Full | - | - | 100.0 | 100.0 | Italy |
| AMUNDI JAPAN | | Full | 100.0 | 100.0 | 100.0 | 100.0 | Japan |
| AMUNDI JAPAN HOLDING | | Full | 100.0 | 100.0 | 100.0 | 100.0 | Japan |
| AMUNDI GLOBAL SERVICING | | Full | 100.0 | 100.0 | 100.0 | 100.0 | Luxembourg |
| AMUNDI LUXEMBOURG | Merger | Full | - | - | 100.0 | 100.0 | Luxembourg |
| FUND CHANNEL | | Equity-accounted | 50.0 | 50.0 | 50.0 | 50.0 | Luxembourg |
| AMUNDI LUXEMBOURG | | Full | 100.0 | 100.0 | 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 |
| PIONEER GLOBAL INVESTMENTS LTD MEXICO CITY BRANCH (2) | | 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 |
| PIONEER INVESTICNI SPOLECNOST, AS | Merger | Full | - | - | 100.0 | 100.0 | Czech Republic |
| AMUNDI ASSET MANAGEMENT SAI. 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 (6) | Entry | Full | 100.0 | 100.0 | - | - | United Kingdom |
| PIONEER GLOBAL INVESTMENTS LTD LONDON BRANCH (2) | | Full | 100.0 | 100.0 | 100.0 | 100.0 | United Kingdom |
| AMUNDI IRELAND LTD LONDON BRANCH (3) | | Full | 100.0 | 100.0 | 100.0 | 100.0 | United Kingdom |
| AMUNDI SINGAPORE LTD | | Full | 100.0 | 100.0 | 100.0 | 100.0 | Singapore |
| AMUNDI IRELAND LTD SINGAPORE BRANCH (3) | | Full | 100.0 | 100.0 | 100.0 | 100.0 | Singapore |
| AMUNDI INTERMEDIATION ASIA PTE LTD | Entry | Full | 100.0 | 100.0 | - | - | Singapore |
| FUND CHANNEL SINGAPORE BRANCH (5) | | Equity-accounted | 50.0 | 50.0 | 50.0 | 50.0 | Singapore |
| AMUNDI CZECH REPUBLIC ASSET MANAGEMENT BRATISLAVA BRANCH (4) | | Full | 100.0 | 100.0 | 100.0 | 100.0 | Slovakia |
| 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) Pioneer global investments ltd branches.*
*(3) Amundi ireland ltd branches.*
*(4) Amundi czech republic investicni spolecnost as branches.*
*(5) Fund channel branch.*
*(6) Amundi intermediation branch.*

## 9.4 NON-CONSOLIDATED ENTITIES

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

This line item amounted to €287,301 thousand at 31 December 2018, compared with €338,008 thousand at 31 December 2017.

### 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 | % interest | Grounds for excluding from scope of consolidation |
|---|---|---|---|
| AMUNDI-ACBA ASSET MANAGEMENT CJSC | Armenia | 51.0% | Materiality thresholds |
| AMUNDI ASSET MANAGEMENT AUSTRALIA LIMITED | Australia | 100.0% | Materiality thresholds |
| AMUNDI CANADA INC | Canada | 100.0% | Materiality thresholds |
| AMUNDI TRANSITION ENERGETIQUE | France | 60.0% | Materiality thresholds |
| ANATEC | France | 49.7% | Materiality thresholds |
| IM SQUARE | France | 42.1% | Materiality thresholds |
| LA FINANCIERE MAGELLAN | France | 33.3% | Materiality thresholds |
| SCI MASCARIN | France | 100.0% | Materiality thresholds |
| SCI LES PALMIERS BLEUS | France | 100.0% | Materiality thresholds |
| SUPERNOVA INVEST | France | 43.0% | Materiality thresholds |
| AMUNDI ALTERNATIVE INVESTMENT IRELAND LTD | Ireland | 100.0% | Materiality thresholds |
| AMUNDI REAL ESTATE LUXEMBOURG SA | Luxembourg | 100.0% | Materiality thresholds |
| AREAF MANAGEMENT - LUXEMBOURG | Luxembourg | 100.0% | Materiality thresholds |
| DNA SA | Luxembourg | 100.0% | Materiality thresholds |
| LRP | Luxembourg | 100.0% | Materiality thresholds |
| AMUNDI INVESTMENT MAROC | Morocco | 100.0% | Materiality thresholds |
| AMUNDI ISLAMIC MALAYSIA SDN BHD | Malaysia | 100.0% | Materiality thresholds |
| FUND CHANNEL (SUISSE) SA | Switzerland | 50.0% | Materiality thresholds |
| AMUNDI MUTUAL FUND BROKERAGE SECURITIES (THAILAND) COMPANY LIMITED | Thailand | 100.0% | Materiality thresholds |
| AMUNDI TAIWAN LTD | Taiwan | 100.0% | Materiality thresholds |
| MIRAE ASSET GLOBAL INVESTMENTS | Taiwan | 100.0% | Materiality thresholds |

Dormant entities at 31 December 2018 have been excluded.

### Significant non-consolidated equity holdings

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

| Non-consolidated entities | Registered office | % interest |
|---|---|---|
| NEXTSTAGE SAS | France | 11.5% |

## 9.5 OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments at 31 December 2018 include:

- the guarantee commitments presented in the table below:

| *In € thousands* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Guarantee commitments given | 20,128,859 | 21,322,324 |
| *Of which fund guarantee commitments* | *20,128,859* | *20,743,366* |
| *Of which other guarantee commitments* | - | *578,958* |

- the financial commitments for the Revolving Credit Facility granted to Amundi for €1,750 million at 31 December 2017 and 31 December 2016;
- 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* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Interest-rate instruments | 2,522,924 | 2,667,582 |
| Other instruments | 53,389,661 | 46,469,805 |
| **NOTIONAL TOTAL** | **55,912,585** | **49,137,387** |

- non-cancellable operating lease commitments were €199,947 thousand at 31 December 2018 (see note 9.6).

## 9.6 LEASES

The Group signed operating leases on the operations buildings used in France and other countries. The Group expects to receive minimum future payments for non-cancellable sub-leasing contracts.

| *In € thousands* | 31/12/2018 | <= 1 year | Between 1 and 5 years | Above 5 |
|---|---|---|---|---|
| Commitments given | 202,653 | 56,425 | 120,763 | 25,464 |
| Commitments received (sub-leases) | (2,706) | (875) | (1,831) | - |
| **NON-CANCELLABLE OPERATING LEASE COMMITMENTS** | **199,947** | **55,550** | **118,932** | **25,464** |

| *In € thousands* | 31/12/2017 | <= 1 year | Between 1 and 5 years | Above 5 |
|---|---|---|---|---|
| Commitments given | 175,425 | 44,288 | 116,466 | 14,671 |
| Commitments received (sub-leases) | (3,457) | (860) | (2,554) | (44) |
| **NON-CANCELLABLE OPERATING LEASE COMMITMENTS** | **171,968** | **43,428** | **113,913** | **14,628** |

The amount of future minimum payments in respect of operating leases mentioned above, and stated in accordance with IAS 17, is a good indicator of the amount of leasing debt that will be recognised in the financial statements when IFRS 16 is implemented.

## 9.7 SUBSEQUENT EVENTS

None.

## 9.8 STATUTORY AUDITORS' FEES

The breakdown by firm and type of activity in respect of the fees recognised in the consolidated financial statements for 2018 and 2017 is set out below:

| | 2018 | | | 2017 | | |
|---|---|---|---|---|---|---|
| *In € thousands* | PWC | E&Y | Total | PWC | E&Y | Total |
| Statutory audit, certification, audit of the statutory and consolidated financial statements | 1,685 | 1,794 | 3,479 | 1,817 | 1,959 | 3,776 |
| Services other than the audit of the financial statements[1] | 778 | 736 | 1,514 | 1,217 | 481 | 1,698 |
| **STATUTORY AUDITORS' FEES** | **2,463** | **2,530** | **4,993** | **3,034** | **2,440** | **5,474** |

*(1) Services other than the certification 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 performed at Amundi and its subsidiaries:

- by "Ernst & Young et Autres", for €865 thousand for auditing the financial statements and €59 thousand for services other than auditing the financial statements;
- by "PricewaterhouseCoopers Audit", for €798 thousand for auditing the financial statements and €175 thousand for services other than auditing the financial statements.

# 6.4 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2018

*This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.*

*This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Annual General Meeting of Amundi,

## OPINION

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of Amundi for the year ended December 31, 2018.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2018 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

## BASIS FOR OPINION

### *Audit Framework*

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

### *Independence*

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics (Code de déontologie) for statutory auditors.

## EMPHASIS OF MATTER

We draw attention to the change in accounting policy concerning the application as from January 1, 2018 of IFRS 9 "Financial instruments" described in Section 6.2.7 "Impacts from IFRS 9 application as of 1 January 2018", Note 1.1 "Applicable Standards and comparability" and paragraph 1.3.2 "Financial instruments" of the Note 1.3 "Accounting Principles and Methods" as well as in the other notes to the consolidated financial statements showing quantified data related to the impact of this change. Our opinion is not modified in respect of this matter.

## JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

*Goodwill measurement*

| Risk identified | Our response |
|---|---|
| The goodwill results mainly from external growth operations and amounts to € 5.7 billion as at December 31, 2018.<br>As mentioned in Note 1.4.6 to the consolidated financial statements, goodwill is tested for impairment whenever there is objective evidence of a loss of value, and at least once a year.<br>These tests are based on the comparison between the carrying amount of the cash generating unit (CGU) and its value in use. The value in use is calculated on the basis of the present value of the future cash flows of the CGU.<br>These estimated future cash flows are determined on the basis of the medium-term business plans prepared by the Group for its management purposes.<br>As mentioned in note 5.13 to the consolidated financial statements, they are based on assumptions concerning the growth of Amundi Group's business in its various markets, integrating trends in macroeconomic parameters.<br>The present value of the future cash flows also takes into account assumptions concerning discount rates and perpetual growth rate which necessitate the exercise of Management's judgment.<br>In view of the materiality of the goodwill and the degree of management's judgment to determine an impairment loss, we considered goodwill measurement to be a key audit matter. | We analyzed the methods used by Amundi to identify any indications of loss in value.<br>We performed the verification of the calculations made, and we involved our valuation specialists to assess the assumptions used by Management to determine the discount rates and the perpetual growth rate included in the calculations of the discounted cash flows, comparing them with external sources if necessary.<br>We analyzed the financial trajectories prepared by the Group's Management and used in the impairment tests, in order to:<br>▪ compare them with the documents reviewed by the Amundi Group's relevant body;<br>▪ assess the main underlying assumptions. The reliability of these assumptions was notably assessed based on the comparison of the financial trajectories prepared in past years with the corresponding actual performance.<br>We also performed analyses of sensitivity to some assumptions (perpetual growth rate, discount rate) and analyzed the information provided in the notes to the consolidated financial statements on the results of these impairment tests and the level of sensitivity to the various assumptions. |

*Recording and measurement of performance fees*

| Risk identified | Our response |
|---|---|
| Amundi Group manages a diversified fund portfolio covering different asset classes. For some funds, performance fees are paid to the asset management company in the event of the outperformance of the fund as provided by contract.<br>As mentioned in note 1.3.5 of the consolidated financial statements, the performance fees pay the management company when the contractual provisions of the fund stipulate so. They are computed on the basis of a percentage on the positive difference between the actual performance and the reference index as provided by contract.<br>As at December 31, 2018, the performance fees recorded in the income statement amounted to €114.6m (note 4.1 of the consolidated financial statements).<br>The diverse maturity dates, index and performance target lead to complexity in determining the amount of the performance fees and in determining the different dates of recognition of the corresponding income.<br>We considered the recording and measurement of the performance fees to be a key audit matter. | We analyzed the process for the calculation of the performance fees implemented by Amundi Group.<br>In particular, we tested the periodic reconciliations performed between the performance fees calculated by Management and the amounts recognised in P&L, and, for funds, with the fees provided by the funds administrator.<br>In addition, on the basis of a sample of selected funds, we:<br>▪ reconciled the reference index used with the one provided by contract;<br>▪ reconciled the fee amounts determined by management with the amounts recognized;<br>▪ for the funds, we reconciled the performance fees recognised in P&L with the fees calculated by the funds administrator;<br>▪ considered whether the fees were recognised by the asset management company at the end of the calculation period specified in the contract. |

## SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### *Appointment of the Statutory Auditors*

We were appointed as statutory auditors of Amundi by the Annual General Meeting held on November 16, 1989 for PricewaterhouseCoopers Audit and on May 31, 1991 for ERNST & YOUNG et Autres.

As at December 31, 2018, PricewaterhouseCoopers Audit and ERNST & YOUNG et Autres were in the thirtieth year and twentieth year of total uninterrupted engagement respectively, which are the twenty-two years since the Company became a public interest entity.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

## STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### *Objectives and audit approach*

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or

conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

### *Report to the Audit Committee*

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, March 22, 2019

The Statutory Auditors

*French original signed by*

| PricewaterhouseCoopers Audit | | ERNST & YOUNG et Autres | |
|---|---|---|---|
| Laurent Tavernier | Anik Chaumartin | Olivier Durand | Claire Rochas |

# Parent company financial statements for the year ended 31 December 2018

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# 7.1 ANNUAL FINANCIAL STATEMENTS

## Balance sheet at 31 December 2018

### ASSETS

| *In € thousands* | Notes | 31/12/2018 | 31/12/2017 |
|---|---|---|---|
| **Interbank transactions and similar items** | | **1,060,476** | **594,368** |
| Cash, central banks | | | |
| Treasury bills and similar securities | 5 | | |
| Loans and receivables due from credit institutions | 3 | 1,060,476 | 594,368 |
| **Loans and receivables due from customers** | **4** | **195,150** | **256,407** |
| **Securities transactions** | | **1,785,069** | **1,551,455** |
| Bonds and other fixed-income securities | 5 | 62,710 | |
| Shares and other variable-income securities | 5 | 1,722,359 | 1,551,455 |
| **Fixed assets** | | **6,085,542** | **6,121,901** |
| Equity investments and other long-term investments | 6-7 | 188,809 | 225,134 |
| Investments in subsidiaries and affiliates | 6-7 | 5,896,718 | 5,896,741 |
| Intangible assets | 7 | | |
| Property, plant and equipment | 7 | 15 | 25 |
| **Unpaid share capital** | | | |
| **Treasury shares** | **8** | **39,893** | **2,906** |
| **Accruals, prepayments and sundry assets** | | **431,786** | **559,764** |
| Other assets | 9 | 389,064 | 543,811 |
| Accruals | 9 | 42,721 | 15,953 |
| **TOTAL ASSETS** | | **9,597,915** | **9,086,801** |

## EQUITY AND LIABILITIES

| *In € thousands* | Notes | 31/12/2018 | 31/12/2017 |
|---|---|---|---|
| **Interbank transactions and similar items** | | **1,255,573** | **876,244** |
| Due to central banks | | | |
| Due to credit institutions | 11 | 1,255,573 | 876,244 |
| **Due to customers** | 12 | **2,786,004** | **2,727,300** |
| **Debt securities** | **13** | **78,420** | |
| **Accruals, deferred income and sundry liabilities** | | **375,139** | **413,785** |
| Other liabilities | 14 | 366,196 | 404,066 |
| Accruals | 14 | 8,943 | 9,719 |
| **Provisions and subordinated debt** | | **343,479** | **304,063** |
| Provisions | 15-16-17 | 39,653 | 205 |
| Subordinated debt | 19 | 303,826 | 303,859 |
| **Fund for general banking risks (FGBR)** | 18 | **37,149** | **37,149** |
| **Equity excluding FGBR:** | **20** | **4,722,152** | **4,728,260** |
| Share capital | | 504,261 | 503,776 |
| Share premiums | | 2,483,626 | 2,474,411 |
| Reserves | | 62,356 | 62,308 |
| Revaluation adjustment | | | |
| Regulated provisions and investment subsidies | | | |
| Retained earnings | | 1,184,164 | 1,550,986 |
| Net income awaiting approval/ interim dividend | | | |
| Net income for the period | | 487,745 | 136,779 |
| **TOTAL EQUITY AND LIABILITIES** | | **9,597,915** | **9,086,801** |

## OFF BALANCE SHEET

| *In € thousands* | Notes | 31/12/2018 | 31/12/2017 |
|---|---|---|---|
| **Commitments given** | | | |
| Financing commitments | 26 | | |
| Guarantee commitments | 26 | 1,731,957 | 912,441 |
| Commitments on securities | 26 | | |

| *In € thousands* | Notes | 31/12/2018 | 31/12/2017 |
|---|---|---|---|
| **Commitments received** | | | |
| Financing commitments | 26 | 1,750,000 | 1,750,000 |
| Guarantee commitments | 26 | | 250,000 |
| Commitments on securities | 26 | | |

## INCOME STATEMENT AT 31 DECEMBER 2018

| *In € thousands* | Notes | 31/12/2018 | 31/12/2017 |
|---|---|---|---|
| Interest and similar income | 28-29 | 29,275 | 12,452 |
| Interest and similar expenses | 28 | (35,811) | (9,818) |
| Income from variable-income securities | 29 | 550,508 | 105,799 |
| Commissions and fees (proceeds) | 30 | 4,269 | 1,411 |
| Commissions and fees (expenses) | 30 | (554) | (66) |
| Net gains (losses) on trading book | 31 | (1,955) | 1,007 |
| Net gains (losses) on short-term investment portfolio and similar | 32 | (63,503) | 40,304 |
| Other proceeds from banking operations | 33 | 11,592 | 10,651 |
| Other expenses from banking operations | 33 | (12,032) | (10,845) |
| **Net banking income** | | **481,789** | **150,895** |
| Operating expenses | 34 | (21,749) | (15,093) |
| Depreciation, amortisation and impairment of property, plan and equipment and intangible assets | | (11) | (11) |
| **Gross operating income** | | **460,029** | **135,791** |
| Cost of risk | 35 | (67) | |
| **Results of operations** | | **459,962** | **135,791** |
| Net income on fixed assets | 36 | | |
| **Pre-tax income on ordinary activities** | | **459,963** | **135,791** |
| Net extraordinary income | | | |
| Income tax charge | 37 | 27,783 | 988 |
| Net increases/ reversals to FGBR and regulated provisions | | | |
| **NET INCOME** | | **487,745** | **136,779** |

# 7.2 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## DETAILED SUMMARY OF THE NOTES

## DETAILED SUMMARY OF THE NOTES

# Note 1 Legal and financial background – Significant events in 2018

## 1.1 LEGAL AND FINANCIAL BACKGROUND

Amundi is a French *société anonyme* (public limited company) with share capital of €504,260,885.00 (*i.e.* 201,704,354 shares with a par value of €2.50 each).

In accordance with Article 44 of the law of 16 July 1992 bringing legislation on insurance and credit in line with the single European market, Amundi is considered a credit institution and classified as a financial company. This law amends Article 18 of banking law 84-46 of 24 January 1984 and abrogates Article 99.

Pursuant to French Financial Activity Modernisation Act no. 96-597 of 2 July 1997, Amundi opted to be categorised as a financial company, *i.e.* a credit institution.

The *Comité des établissements de crédit et des entreprises d'investissement* (Credit Institutions and Investment Firms Committee) redefined Amundi's accreditation on 19 February 2002. Amundi, as a financial company, is authorised to issue capital and/or performance guarantees in the field of asset management, particularly for customers of the Crédit Agricole Group or of UCITS it manages.

Ownership percentages in the Company are:

- 68.22% by Crédit Agricole S.A.;
- 29.37% by the public (including employees);
- 1.71% by the other Crédit Agricole Group companies;
- 0.40% in treasury shares.

## 1.2 SIGNIFICANT EVENTS IN 2018

- Capital increase

  The capital increase reserved for employees was finalised during the second half of 2018. It was completed under the existing legal authorisations approved by the General Meeting of May 2017.

  At the end of the subscription period, this capital increase resulted in the issuance of 193,792 shares at a price of €51.79 per share (par value of €2.50 and share premium of €49.29). The final amount of this transaction was €10.04 million.

## 1.3 EVENTS AFTER THE 2018 REPORTING PERIOD

No significant events took place after the reporting period, whether recognised or not.

# Note 2 Accounting principles and methods

The Amundi financial statements comply with the provisions of ANC (French accounting standards authority) regulation no. 2014-07 of 26 November 2014 which, for financial years starting from 1 January 2015, aggregates all accounting standards applicable to credit institutions under a single set of regulations on the basis of established law.

The changes in accounting methods and in the presentation of financial statements from the previous financial year concern the following items:

| Regulations | Date of publication by the French government | Date of first application: financial years starting from | Impact on AMUNDI |
|---|---|---|---|
| ANC regulation no. 2017-01 on the PCG (general accounting plan) regarding the accounting treatment of mergers and similar transactions. | 30/12/2017 | 01/01/2018 | the application of this new regulation had no material impact on the entity's results or net financial position for the period |
| Regulation 2018-01 concerning changes in accounting methods and changes in estimates and error correction. | 20/04/2018 | 01/01/2018 | the application of this new regulation had no material impact on the entity's results or net financial position for the period |

ANC regulation no. 2014-07 had no impact on Amundi's results or net financial position.

At 1 January 2018, two accounting method changes were applied in the absence of a new ANC regulation.

The first involves the transposition of a new provisioning model for credit risk on unimpaired outstanding loans using the IFRS 9 approach in estimating expected credit losses.

The scope of application of this new provisioning model is outstanding loans (excluding leasing) as well as commitments by signature, namely, financing commitments and guarantee commitments.

In the context of the IFRS 9 project, the Group decided on principle to align the provisions it applies to determine impairment on credit risk in the Parent company financial statements according to French standards with those used in the IFRS consolidated financial statements.

This alignment on principle remains compatible with the enforcement of existing French laws:

- the prudence principle defined in Article L. 123-20 of the French Commercial Code and reiterated in Article 121-4 of regulation 2014-03 (PCG) justifies, by its nature, provisioning, including on the basis of expected losses;
- Article 1121-3 of regulation 2014-07 regarding provisions for liabilities (item 7) allows for provisioning based on "events that have occurred or are in the process of occurring", the outstandings having incurred a material deterioration of their credit risk or bearing a risk;
- Article 323-6 of regulation 2014-03 (PCG) regarding the measurement of liabilities allows taking "future events" into account in estimating provisions (similar to the forward-looking component);
- last, regulation 2018-01, amending regulation 2014-07, permits a change in accounting method at the initiative of the company.

This change has no impact on Amundi's opening equity.

The second change in presentation in the income statement involves reversals associated with the passage of time, or accretion effect, of write-downs of doubtful receivables. Article 1123-2 of regulation 2014-07, concerning financial statements of companies in the banking sector, details the composition of the interest and similar income item found under net banking income. Regarding the accretion effect, it allows for a choice between a recognition under net banking income or cost of risk.

The decision was made to present as cost of risk the reversal associated with the passage of time of the write-down of doubtful receivables effective 1 January 2018. This choice will bear no impact on opening equity.

## 2.1 LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND CUSTOMERS – FINANCING COMMITMENTS

Loans and receivables due from credit institutions, Amundi Group entities and customers are governed by Articles 2211-1 to 2251-13 (Title 2 Accounting treatment of credit risk of Book II Special transactions) of ANC regulation 2014-07 of 26 November 2014.

They are broken down according to their remaining maturity or type:

- demand and term deposits for credit institutions;
- current accounts, accounts and straight loans for Amundi Group internal transactions;
- trade receivables, other loans and current accounts for customers.

In accordance with regulatory provisions, the customers heading also includes transactions completed with financial customers.

Subordinated loans, as well as repurchase agreements (taking the form of securities or assets), are incorporated under the various loans and receivables headings, depending on the type of counterparty (interbank, Crédit Agricole, customer).

Loans and receivables are recorded on the balance sheet at their nominal value.

In accordance with Article 2131-1 of ANC regulation 2014-07 of 26 November 2014, commissions and fees received and the marginal cost of transactions completed are spread out over the actual life of the loan and are therefore incorporated into the outstanding balance of the relevant loan.

Accrued interest not yet due on loans and receivables is recognised under accrued interest on the income statement.

Financing commitments recognised off-balance sheet represent irrevocable backstop liquidity commitments and guarantee commitments that have not generated any fund movements.

The enforcement of regulation ANC 2014-07 of 26 November 2014 has led the entity to recognise loans and receivables presenting a risk of non-payment according to the rules outlined in the following paragraphs.

The use of external and/or internal rating systems helps to assess the level of credit risk.

Loans and receivables and financing commitments are divided between those deemed to be unimpaired and those deemed doubtful.

#### Unimpaired loans and receivables

As long as receivables are not deemed doubtful, they are considered unimpaired and remain under their original heading.

#### Provisions for credit risk on unimpaired loans

In addition, without waiting for the loans to become doubtful, when the financial instruments are initially recognised, Amundi records expected credit losses over the coming twelve months (loans and receivables deemed to be unimpaired) and/or over the life of the financial instrument as soon as there is significant deterioration in the credit quality of the outstanding (loans and receivables deemed to have deteriorated) under liabilities on its balance sheet.

Allowances and reversals of provisions for credit risk on unimpaired loans are recognised under cost of risk.

These provisions are determined as part of a special monitoring process and are based on estimates showing the change in the credit risk level on the initial recognition date and on the reporting date.

#### Doubtful loans and receivables

These are loans and receivables of all types, even those incorporating guarantees, that present a demonstrated credit risk corresponding to one of the following situations:

- there are several unpaid receivables that are older than one year;
- the situation of a counterparty has characteristics that are such that independently from the existence of any unpaid receivables, it can be concluded that a demonstrated risk exists;
- there is litigation between the institution and its counterparty.

Among doubtful loans, Amundi makes a distinction between non-performing doubtful loans and performing doubtful loans.

#### Performing doubtful loans and receivables

Performing doubtful loans and receivables are those that do not meet the definition of non-performing doubtful receivables.

#### Non-performing doubtful loans and receivables

These are doubtful loans and receivables with a very poor collection outlook and for which a future write-off is being considered.

Interest continues to accrue on doubtful loans and receivables as long they are considered doubtful but performing. Interest stops accruing as soon as the receivable becomes non-performing.

Classification as a doubtful loan can be disregarded as soon as the demonstrated credit risk is permanently eliminated and when regular payments have resumed for the amounts stipulated for the original contractual due dates. In this case, the loan is once again considered unimpaired.

#### Write-downs for credit risk on doubtful loans

As soon as a loan becomes doubtful, Amundi accounts for the probable write-off through a write-down deducted from the asset on the balance sheet. These write-downs represent the difference between the carrying amount of the loan or receivable and the future estimated flows discounted at the contract rate, while taking into consideration the financial position and economic outlook of the counterparty, as well as any potential guarantees minus their cost of enforcement.

Probable write-offs relating to off-balance sheet commitments are taken into account through provisions included in balance sheet liabilities.

#### Accounting treatment of write-downs

Allowances and reversals for the write-down of the risk of non-collection on doubtful loans and receivables are recognised under cost of risk.

In accordance with Article 2231-3 of ANC regulation 2014-07, the Group has opted to record the increase in the carrying amount associated with the reversal of the write-down due to passage of time under cost of risk.

#### Writing off a loss

The assessment of the time period for a write-off is based on the judgement of experts. Amundi determines it with its Risk Management Department, based on this department's knowledge of its business.

Loans and receivable that have become irrecoverable are recognised as losses and the corresponding write-downs are reversed.

## 2.2 SECURITIES PORTFOLIO

Rules regarding the accounting of securities transactions are defined by Articles 2311-1 to 2391-1 (Title 3 Accounting of securities transactions of Book II Special transactions) as well as by Articles 2211-1 to 2251-13 (Title 2 Accounting treatment of credit risk of Book II Special transactions) of ANC regulation 2014-07 of 26 November 2014 for the determination of credit risk and the write-down of fixed-income securities.

The securities are presented by type in the financial statements: treasury bills (Treasury Notes and similar securities), bonds and other fixed-income securities (negotiable debt obligations and interbank securities), equities and other variable-income securities.

They are classified in the portfolios stipulated by regulations (trading, short-term investment, long-term investment and medium-term portfolio securities, and other long-term equity investments) depending on the initial purpose for holding the securities identified in the accounting information system at the time of their acquisition.

#### Trading securities

These are securities originally acquired with the intent of reselling them or that are sold with the intent of repurchasing them in the short term.

Trading securities are recognised on the balance sheet at their acquisition price, excluding acquisition costs.

They are valued based on their market value on the reporting date.

The balance of unrealised gains and losses thus recorded, as well as the balance of the gains and losses on the disposal of securities, is recognised on the income statement under "Net gains (losses) on trading book".

### Short-term investment securities

This category is for securities that are not recognised among the other categories.

The securities are recognised at their acquisition price, including costs.

#### *Bonds and other fixed-income securities*

These securities are recognised at their acquisition price, accrued coupons and fees included.

Revenue is recognised in the income statement under "Interest and similar income on bonds and other fixed-income securities".

#### *Shares and other variable-income securities*

Equities are recognised on the balance sheet at their purchase value, including acquisition costs. Revenue from dividends associated with the equities are recorded in the income statement under "income from variable-income securities".

Revenue from SICAV (variable-capital investment companies) and mutual funds are recorded at the time the funds are received under the same heading.

Short-term investment securities are valued at the lower of the purchase price or the market value at the reporting date. Accordingly, when the book value on one line is lower than the carrying amount, a charge for write-down of unrealised gains is recognised without any offset for any capital gains recorded under other types of securities. Gains generated by hedges, as defined in Article 2514-1 of ANC regulation 2014-7 of 26 November 2014, taking the form of purchase or sales of forward financial instruments, are taken into account in calculating write-downs. Any potential capital gains are not recognised.

Disposals of securities are deemed to involve the securities of the same type that were subscribed at the earliest date.

Write-down allowances and reversals, as well as any capital gains or losses from the disposal of short-term investment securities, are recognised under the heading "balance of transactions on short-term investment portfolios and similar" in the income statement.

### Investments in subsidiaries and affiliates, equity investments and other long-term investments

- investments in subsidiaries and affiliates are investments in companies that are under exclusive control and which are, or are likely to be, fully consolidated into a single group that can be consolidated;
- equity investments are investments (other than investments in subsidiaries and affiliates), whose long-term ownership is deemed beneficial to the reporting entity, particularly because it allows it to exercise influence or control over the issuer;
- other long-term equity investments consist of securities held with the intention of promoting long-term business relations by creating a special relationship with the issuer, but involve no influence on the issuer's management due to the small percentage of voting rights held.

The securities are recognised at their acquisition price, including costs.

At the reporting date, these securities are measured individually based on their value in use and are recorded on the balance sheet at the lower of their historical cost or value in use.

Value in use may be estimated based on various factors such as the issuer's profitability and profitability outlook, its equity, the economic environment or even its average share price in the preceding months or the economic value of the security.

When value in use is lower than historical cost, write-downs are booked for these unrealised losses, without offset against any unrealised gains.

Write-down allowances and reversals, as well as any capital gains or losses from the disposal of these securities, are recognised under the heading "balance of transactions on short-term investment portfolios and similar" in the income statement.

### Market price

The market price at which the various categories of securities are measured is determined in the following manner:

- securities traded on an active market are measured at their most recent price;
- if the market on which the security is traded is considered inactive or no longer active or if the security is not listed, Amundi determines the probable trading value of the security by using valuation techniques. First, these techniques reference recent transactions completed under normal competitive conditions. When appropriate, Amundi uses valuation techniques commonly used by market actors to value these securities when it has been demonstrated that these techniques produce reliable estimates of the prices obtained in actual market trades.

### Reclassification of securities

In accordance with Articles 2381-1 to 2381-5 (Title 3 Recognition of securities transactions of Book II Special transactions) of ANC regulation 2014-07 of 26 November 2014, the following reclassifications are permitted:

- from trading book to long-term investment or short-term investment portfolio, in the event of an exceptional market situation, or for fixed-income securities, when they can no longer be traded on an active market or if the institution has the intent and ability to hold them for the foreseeable future or until maturity;
- from the short-term investment securities portfolio to long-term investment portfolio, in the event of an exceptional market situation or for fixed-income securities, when they can no longer be traded on an active market.

In 2018, Amundi did not carry out any reclassifications under ANC regulation 2014-07 of 26 November 2014.

### Buyback of treasury shares

The treasury shares repurchased by Amundi under the liquidity agreement are recognised as assets on the balance sheet in a trading portfolio at their book value.

The treasury shares repurchased by Amundi as part of the hedging of the free share award plans are recognised in a short-term investment portfolio. They are subjected, where applicable, to a write-down if the book value is lower than the purchase price, with the exception of transactions related to the stock option plans or subscription of shares and the free share award plans for employees pursuant to ANC regulation 2014-03 of 5 June 2014.

## 2.3 NON-CURRENT ASSETS

Amundi applies ANC regulation 2014-03 of 5 June 2014 for the depreciation, amortisation and write-down of assets.

As a result, Amundi applies component accounting to all its property, plant and equipment. In accordance with this regulation, the depreciable base takes account of the potential residual value of property, plan and equipment.

ANC regulation no. 2015-06 amends the accounting of the technical merger loss on the balance sheet as well at its follow-up in the financial statements. The loss is no longer always and systematically recognised under "Goodwill"; it must be recognised on the balance sheet according to the asset heading to which it has been allocated under "other property, plant and equipment, intangible assets, financial assets, *etc.*" The loss is amortised, written down and written off using the same process as for the underlying asset.

The acquisition costs of fixed assets include, in addition to the purchase price, incidental expenses, meaning the expenses directly or indirectly linked to the acquisition for putting the property in proper operating condition or for its entry into inventory.

Buildings and equipment are recognised at acquisition price less accumulated depreciation, amortisation and write-downs since they were commissioned.

Acquired software is measured at cost less accumulated depreciation, amortisation and write-downs booked since the acquisition date.

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

Intangible assets other than software, patents and licences are not amortised.

If applicable, they may be subject to a write-down.

Fixed assets are depreciated over their estimated useful lives.

The following components and depreciation periods have been adopted by Amundi following the application of component accounting for fixed assets. These depreciation periods are adjusted according to the nature of the asset and its location:

| Component | Depreciation period |
|---|---|
| Technical equipment and installations | 5 years |
| IT equipment | 3 years |

## 2.4 DUE TO CREDIT INSTITUTIONS AND CUSTOMERS

Amounts due to credit institutions and customers are presented in the financial statements according to their remaining maturity or the nature of the liability:

- demand or term debt with institutions;
- other liabilities for customers (these include financial customers).

Accrued interest on these debts is recognised under related payables with counterparty in the income statement.

## 2.5 DEBT SECURITIES

Debt securities are presented according to their type: short-term securities, interbank securities, negotiable debt obligations, and bonds, with the exclusion of subordinated securities, which are classified under "Subordinated debt" in liabilities.

Accrued interest not yet due on these debts is recognised under related payables with counterparty in the income statement.

Share premiums or those from the redemption of bonds are depreciated over the life of the relevant borrowings, the corresponding charge is recognised under the heading "Interest and similar expenses on bonds and other fixed-income securities".

## 2.6 PROVISIONS

Amundi applies ANC regulation 2014-03 of 5 June 2014 to recognise and assess provisions.

These provisions include provisions relating to financing commitments, retirement and end-of-career liabilities, litigation and various risks.

All these risks are reviewed quarterly.

## 2.7 FUND FOR GENERAL BANKING RISKS (FGBR)

In accordance with the Fourth European Directive and CRBF regulation 90-02 of 23 February 1990 relating to capital, funds for general banking risks are constituted by Amundi, at the discretion of its management, to meet any expenses or risks relating to banking operations but whose incidence is uncertain.

Provisions are released to cover any incidence of these risks during a financial year.

At 31 December 2018, the balance of this account was €37,148,962.00.

## 2.8 FOREIGN CURRENCY TRANSACTIONS

Assets and liabilities in foreign currencies are converted using the exchange rate on the reporting date. The gains or losses resulting from these conversions, as well as the translation adjustments on the financial year's transactions, are recognised in the income statement.

The monetary assets and liabilities, as well as the forward currency contracts appearing as off-balance sheet commitments in foreign currencies are translated at the foreign exchange rate prevailing at the balance sheet date or the market price on the nearest preceding date.

Within the context of the application of Title 7 Accounting of transactions in foreign currencies of Book II Special transactions of ANC regulation 2014-07 of 26 November 2014, Amundi implemented multi-currency accounting enabling it to monitor its foreign exchange position and to assess its exposure to this risk.

## 2.9 FORWARD AND OPTION FINANCIAL INSTRUMENT TRANSACTIONS

Hedging and market transactions on forward financial instruments involving interest rates, foreign exchange or equities are recognised according to the provisions of Title 5 Forward financial instruments of Book II Special transactions of ANC regulation 2014-07 of 26 November 2014.

Off-balance sheet commitments relating to these transactions record the notional capital amount of the contracts that have not yet been unwound at the reporting date. In the case of options transactions, the commitments reflect the amount of the nominal capital of the underlying instrument.

At 31 December 2018, forward financial commitments stood at €93,318 thousand.

The results of these transactions are recognised according to the type of instrument and the strategy implemented:

### Market transactions

Market transactions include:

- isolated open positions (category "a" Article 2522-1 of ANC regulation 2014-07);
- the specialised management of a trading book (category "d" Article 2522 of ANC regulation 2014-07);
- instruments traded on an organised market, similar, over-the-counter, or included in a trading book – as defined by ANC regulation 2014-07.

They are valued by reference to their market value on the reporting date.

When the instruments are valued at their market value, this value is determined:

- based on available prices, if there is an active market;
- based on internal valuation methods and models, in the absence of an active market.

For instruments:

- in an open isolated position traded on organised or similar markets, all gains and losses (realised or unrealised) are recognised;
- in an open isolated position traded on OTC markets, only potential unrealised losses are recorded via a provision. The realised capital gains and losses are recognised in profit or loss at the time of settlement;
- being part of a trading book, all gains and losses (realised or unrealised) are recognised.

### Hedging transactions

Gains or losses on allocated hedges (category "b" Article 2522-1 of ANC regulation 2014-07) are recorded in the income statement symmetrically to the recognition of the income and expenses of the hedged item and under the same accounting heading.

### Counterparty risk on derivative instruments

In accordance with ANC regulation 2014-07 of 26 November 2014, Amundi incorporates the assessment of the counterparty risk on derivative assets (Credit Valuation Adjustment or CVA) in the market value of derivatives. Only derivatives recognised in an isolated open position and in the trading book (respectively the derivatives classified according to categories a and d of Article 2522-1 of the aforementioned regulation) are subject to a CVA calculation.

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

The CVA calculation relies on an assessment of the expected losses based on the probability of default and the loss in the event of default.

The methodology used maximises the use of observable market data.

It is based:

- primarily on market data such as registered and listed Credit Default Swaps (CDS) (or Single Name CDS) or CDS proxies;
- in the absence of a name counterparty CDS, of an approximation based on a basket of Single Name counterparty CDS of the same rating, operating in the same sector and located in the same region.

### Complex transactions

A complex transaction is defined as a synthetic combination of instruments (types, natures and methods of valuation that are identical or different) recognised as a single lot or as a transaction whose recognition does not pertain to an explicit regulation and that involves a choice of principle by the institution.

Income and expenses relating to the instruments traded as part of complex transactions, particularly the issuance of structured notes, are recognised in the income statement symmetrically to the method for recognising income and expenses on the hedged item. Accordingly, changes in the values of hedging instruments are not recognised in the balance sheet.

## 2.10 OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments mainly reflect the unused portion of financing commitments and guarantee commitments given and received.

Where applicable, commitments given are subject to a provision when there is a probability of a claim resulting in a loss for Amundi.

Reported off-balance sheet items do not include commitments on forward financial instrument or foreign exchange transactions.

These items are nevertheless detailed in notes 24, 25 and 26.

## 2.11 EMPLOYEE PROFIT-SHARING AND INCENTIVE PLANS

Employee profit-sharing and incentive plans are recognised on the income statement in the year in which the employees' rights are earned.

Some Group companies have formed "Social and Economic Units" (Amundi, Amundi AM, Amundi ITS, Amundi Finance, Amundi Tenue de Comptes, Amundi Immobilier, Amundi Intermédiation, Amundi Private Equity Funds, Etoile Gestion, BFT IM, Société Générale Gestion, CPR AM and Amundi Transition Energétique). Agreements regarding employee profit-sharing and incentive plans have been signed in this context.

Profit-sharing and incentives are shown under employee expenses.

The employees provided by Crédit Agricole S.A. are covered by agreements signed for that entity's SEU. The estimated expense to be paid for the profit-sharing and incentive plans allocated in this context is recognised in the financial statements.

## 2.12 POST-EMPLOYMENT BENEFITS

### Retirement plans – Defined-contribution plans

There are several compulsory 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 has no liabilities in this respect other than its contributions for the year ended.

The amount of the contributions made to these retirement plans is recognised under "employee expenses".

### Commitments in terms of retirement plans, pre-retirement and end-of-career payments – defined benefit plans

Amundi has applied ANC (French accounting standard authority) recommendation no. 2013-02 of 7 November 2013 regarding accounting and valuation rules for retirement plans and similar benefits since 1 January 2013. This recommendation was abrogated and incorporated into section 4 of chapter II of Title III of ANC regulation 2014-03 of 5 June 2014.

In accordance with this regulation, Amundi provisions its retirement plans and similar benefits falling under the category of defined benefit plans.

The sensitivity index shows that:

- a change of more than 50 bps in discount rates would result in a 5.45% decrease in the commitment;
- a change of less than 50 bps in discount rates would result in a 5.90% increase in the commitment.

Within the Amundi Group, Amundi AM has signed an insurance contract for an "end-of-career allowance" (IFC) with PREDICA, and management agreements were signed between Amundi and its SEU subsidiaries. This outsourcing of the "end-of-career allowance" resulted in the transfer of a portion of the liability provision from the financial statements to the PREDICA contract.

The non-outsourced balance is still recorded under the provision for liabilities.

## 2.13 SHARE AND SHARE SUBSCRIPTION SCHEMES OFFERED TO EMPLOYEES AS PART OF THE COMPANY SAVINGS SCHEME

### Share award plan

Some performance share plans granted to certain categories of employees have been created.

These shares delivered at the end of a three-year vesting period are first subject to a buyback.

They will be rebilled to the Group's "employer" companies when the shares are delivered.

These award schemes are described below:

**Performance share plan**

| | | | | |
|---|---|---|---|---|
| Date of general meeting authorising share plan | 30/09/2015 | 30/09/2015 | 18/05/2017 | 18/05/2017 |
| Date of Board meeting | 11/02/2016 | 09/02/2017 | 13/12/2017 | 01/08/2018 |
| Date of allocation of share | 11/02/2016 | 09/02/2017 | 13/12/2017 | 01/08/2018 |
| Number of shares allocated | 235,160 | 139,930 | 1,551,750 | 98,310 |
| Methods of payment | Amundi shares | Amundi shares | Amundi shares | Amundi shares |
| Vesting period | 11/02/2016<br>11/02/2019 | 09/02/2017<br>09/02/2020 | 01/07/2017<br>31/12/2021 | 01/07/2018<br>31/12/2021 |
| Performance conditions(1) | Yes | Yes | Yes | Yes |
| Continued employment condition | Yes | Yes | Yes | Yes |
| Cancelled or voided equities during the period | 10,874 | 8,168 | 165,550 | - |
| Equities remaining at 31 December 2018 | 224,286 | 131,762 | 1,386,200 | 98,310 |
| Fair value of one share – Tranche 1 | €26.25 | €43.41 | €67.12 | €52.27 |
| Fair value of one share – Tranche 2 | n.a. | n.a. | €63.69 | €48.78 |
| Fair value of one share – Tranche 3 | n.a. | n.a. | €59.85 | 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.*

**Share subscriptions under the Company Savings Scheme**

The subscriptions of shares proposed to employees under the Company Savings Scheme, with a maximum discount of 20%, do not have a vesting period for rights but they are subject to a five-year lock-up period. These share subscriptions are recognised in accordance with the provisions relating to capital increases.

## 2.14 EXTRAORDINARY INCOME AND EXPENSES

These consist of expenses and income that occur on an exceptional basis and that are associated with operations that do not pertain to Amundi's ordinary business activities.

## 2.15 INCOME TAX CHARGE

Generally, only the current tax liability is recorded in the Parent company financial statements.

The tax charge shown in the income statement is the corporate tax due for the financial year. It includes the effects of the employer social security contributions on earnings of 3.3%.

When tax credits on income from securities portfolios and receivables are effectively used to pay the corporate income tax due for the 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 charge" heading in the income statement.

Amundi has a tax consolidation scheme in place since 2010. At 31 December 2018, 16 entities had signed tax consolidation agreements with Amundi. Under these agreements, each company that is part of the tax consolidation scheme recognises the tax that it would have paid in the absence of the scheme in its financial statements.

Following the signature of a tax consolidation agreement on 15 April 2010, Amundi heads the tax consolidation group of the following companies:

- CPR Asset Management;
- Amundi Finance;
- Amundi Intermédiation;
- Société Générale Gestion;
- Amundi AM;
- Amundi Immobilier;
- Amundi Private Equity Funds;
- Amundi Tenue de Comptes;
- Amundi Finance Emissions;
- LCL Emissions;
- Amundi Issuance;
- Etoile Gestion;
- AmundI India Holding;
- Amundi Ventures;
- Valinter 19;
- Valinter 20.

Given that the legislative intent when introducing the tax credit for competitiveness and employment (CICE) was to reduce employee expenses, Amundi chose to recognise the CICE (Article 244 quater C of the French General Tax Code) as a reduction in employee expenses rather than a tax deduction.

# Note 3 Loans and receivables due from credit institutions – Analysis by remaining maturity

| | 31/12/2018 | | | | | | | 31/12/2017 |
|---|---|---|---|---|---|---|---|---|
| *In € thousands* | < 3 months | > 3 months < 1 year | > 1 year < 5 years | Above 5 years | Total principal | Accrued interest | Total | Total |
| **Credit institutions** | | | | | | | | |
| Accounts and loans: | | | | | | | | |
| ▪ demand | 649,219 | | | | 649,219 | | 649,219 | 338,273 |
| ▪ term | 90,000 | 221,002 | | | 311,002 | 215 | 311,217 | 156,054 |
| Pledged securities | | | | | | | | |
| Securities received under repurchase agreements | | | | | | | | |
| Subordinated loans | | | | 100,000 | 100,000 | 40 | 100,040 | 100,040 |
| **Total** | **739,219** | **221,002** | | **100,000** | **1,060,221** | **255** | **1,060,476** | **594,368** |
| Write-downs | | | | | | | | |
| **NET CARRYING AMOUNT** | **739,219** | **221,002** | | **100,000** | **1,060,221** | **255** | **1,060,476** | **594,368** |
| Current accounts | | | | | | | | |
| Accounts and straight loans | | | | | | | | |
| **Total** | | | | | | | | |
| Write-down | | | | | | | | |
| **NET CARRYING AMOUNT** | | | | | | | | |
| **TOTAL** | **739,219** | **221,002** | | **100,000** | **1,060,221** | **255** | **1,060,476** | **594,368** |

# Note 4 Loans and receivables due from customers

## 4.1 LOANS AND RECEIVABLES DUE FROM CUSTOMERS – ANALYSIS BY REMAINING MATURITY

| | 31/12/2018 | | | | | | | 31/12/2017 |
|---|---|---|---|---|---|---|---|---|
| *In € thousands* | < 3 months | > 3 months < 1 year | > 1 year < 5 years | Above 5 years | Total principal | Accrued interest | Total | Total |
| Trade receivables | | | | | | | | |
| Other customer loans | 195,150 | | | | 195,150 | | 195,150 | 256,407 |
| Securities received under repurchase agreements | | | | | | | | |
| Current accounts in debit | | | | | | | | |
| Write-downs | | | | | | | | |
| **NET CARRYING AMOUNT** | **195,150** | | | | **195,150** | | **195,150** | **256,407** |

## 4.2 LOANS AND RECEIVABLES DUE FROM CUSTOMERS – ANALYSIS BY GEOGRAPHIC AREA

| *In € thousands* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| France (including overseas departments and territories) | 195,150 | 225,700 |
| Other E.U. jurisdictions | | 29,198 |
| Other European jurisdictions | | |
| North America | | |
| Central and Latin America | | |
| Africa and Middle East | | |
| Asia and Oceania (excluding Japan) | | |
| Japan | | |
| International organisations | | |
| **Total principal** | **195,150** | **254,898** |
| Accrued interest | | 1,509 |
| Write-downs | | |
| **NET BALANCE SHEET VALUE** | **195,150** | **256,407** |

## 4.3 LOANS AND RECEIVABLES DUE FROM CUSTOMERS – DOUBTFUL LOANS AND WRITE-DOWNS BY GEOGRAPHIC AREA

| | 31/12/2018 | | | | |
|---|---|---|---|---|---|
| *In € thousands* | Gross outstandings | Of which doubtful loans | Of which non-performing doubtful loans | Write-downs of doubtful loans | Write-downs of non-performing doubtful loans |
| France (including overseas departments and territories) | 195,150 | | | | |
| Other E.U. jurisdictions | | | | | |
| Other European jurisdictions | | | | | |
| North America | | | | | |
| Central and Latin America | | | | | |
| Africa and Middle East | | | | | |
| Asia and Oceania (excluding Japan) | | | | | |
| Japan | | | | | |
| International organisations | | | | | |
| Accrued interest | | | | | |
| **BALANCE SHEET VALUE** | **195,150** | | | | |

| In € thousands | 31/12/2017 Gross outstandings | Of which doubtful loans | Of which non-performing doubtful loans | Write-downs of doubtful loans | Write-downs of non-performing doubtful loans |
|---|---|---|---|---|---|
| France (including overseas departments and territories) | 225,700 | | | | |
| Other E.U. jurisdictions | 29,198 | | | | |
| Other European jurisdictions | | | | | |
| North America | | | | | |
| Central and Latin America | | | | | |
| Africa and Middle East | | | | | |
| Asia and Oceania (excluding Japan) | | | | | |
| Japan | | | | | |
| International organisations | | | | | |
| Accrued interest | 1,509 | | | | |
| **BALANCE SHEET VALUE** | **256,407** | | | | |

## 4.4 LOANS AND RECEIVABLES DUE FROM CUSTOMERS – ANALYSIS BY CUSTOMER TYPE

| In € thousands | 31/12/2018 Gross outstandings | Of which doubtful loans | Of which non-performing doubtful loans | Write-downs of doubtful loans | Write-downs of non-performing doubtful loans |
|---|---|---|---|---|---|
| Individual customers | | | | | |
| Farmers | | | | | |
| Other professionals | | | | | |
| Financial companies | 118,950 | | | | |
| Corporates | 76,200 | | | | |
| Public authorities | | | | | |
| Other customers | | | | | |
| Accrued interest | | | | | |
| **BALANCE SHEET VALUE** | **195,150** | | | | |

| In € thousands | 31/12/2017 Gross outstandings | Of which doubtful loans | Of which non-performing doubtful loans | Write-downs of doubtful loans | Write-downs of non-performing doubtful loans |
|---|---|---|---|---|---|
| Individual customers | | | | | |
| Farmers | | | | | |
| Other professionals | | | | | |
| Financial companies | 254,898 | | | | |
| Corporates | | | | | |
| Public authorities | | | | | |
| Other customers | | | | | |
| Accrued interest | 1,509 | | | | |
| **BALANCE SHEET VALUE** | **256,407** | | | | |

# Note 5 Trading, short-term investment, long-term investment and medium-term portfolio securities

| In € thousands | 31/12/2018 Trading account securities | o/w Investment portfolio | Medium-term portfolio securities | Investment | Total | 31/12/2017 Total |
|---|---|---|---|---|---|---|
| Treasury bills and similar securities: | | | | | | |
| ▪ o/w residual net premium | | | | | | |
| ▪ o/w residual net discount | | | | | | |
| Accrued interest | | | | | | |
| Write-downs | | | | | | |
| **Net carrying amount** | | | | | | |
| Bonds and other fixed-income securities: | | 63,314 | | | 63,314 | |
| Issued by public entities | | | | | | |
| Other issuers | | 63,314 | | | 63,314 | |
| ▪ o/w residual net premium | | | | | | |
| ▪ o/w residual net discount | | | | | | |
| Accrued interest | | 7 | | | 7 | |
| Write-downs | | (610) | | | (610) | |
| **Net carrying amount** | | **62,710** | | | **62,710** | |
| Shares and other variable-income securities | | 1,777,793 | | | 1,777,793 | 1,582,978 |
| Accrued interest | | | | | | |
| Write-downs | | (55,434) | | | (55,434) | (31,523) |
| **Net carrying amount** | | **1,722,358** | | | **1,722,359** | **1,551,455** |
| **TOTAL** | | **1,785,069** | | | **1,785,069** | **1,551,455** |
| Estimated values | | 1,791,172 | | | 1,791,172 | 1,563,400 |

The estimated value of the unrealised gains on the investment portfolio was €8,706 thousand at 31 December 2018.

The estimated value of the short-term investment securities corresponds to the last trading price.

## 5.1 TRADING, SHORT-TERM INVESTMENT, LONG-TERM INVESTMENT AND MEDIUM-TERM PORTFOLIO SECURITIES (EXCLUDING TREASURY BILLS) – BREAKDOWN BY MAJOR COUNTERPARTY CATEGORY

| In € thousands | Net exposures 31/12/2018 | Net exposures 31/12/2017 |
|---|---|---|
| Government and central bank (including States) | | |
| Credit institutions | 63,314 | |
| Financial companies | 1,777,688 | 1,582,872 |
| Local authorities | | |
| Corporates, insurance companies and other customers | 105 | 105 |
| Other and non-allocated | | |
| **Total principal** | **1,841,106** | **1,582,978** |
| Accrued interest | 7 | |
| Write-downs | (56,045) | (31,523) |
| **NET BALANCE SHEET VALUE** | **1,785,069** | **1,551,455** |

## 5.2 BREAKDOWN OF LISTED AND UNLISTED FIXED AND VARIABLE-INCOME SECURITIES

| | 31/12/2018 | | | | 31/12/2017 | | | |
|---|---|---|---|---|---|---|---|---|
| *In € thousands* | Bonds and other fixed-income securities | Treasury bills and similar securities | Shares and other variable-income securities | Total | Bonds and other fixed-income securities | Treasury bills and similar securities | Shares and other variable-income securities | Total |
| Listed securities | | | | | | | | |
| Unlisted securities | 63,314 | | 1,777,793 | 1,841,106 | | | 1,582,978 | 1,582,978 |
| Accrued interest | 7 | | | 7 | | | | |
| Write-downs | (610) | | (55,434) | (56,045) | | | (31,523) | (31,523) |
| **NET BALANCE SHEET VALUE** | **62,710** | | **1,722,359** | **1,785,069** | | | **1,551,455** | **1,551,455** |

## 5.3 TREASURY BILLS, BONDS AND OTHER FIXED-INCOME SECURITIES – ANALYSIS BY REMAINING MATURITY

| | 31/12/2018 | | | | | | | 31/12/2017 |
|---|---|---|---|---|---|---|---|---|
| *In € thousands* | < 3 months | > 3 months < 1 year | > 1 year < 5 years | Above 5 years | Total principal | Accrued interest | Total | Total |
| Bonds and other fixed-income securities | | | | | | | | |
| Gross value | | | | 63,314 | 63,314 | 7 | 63,321 | |
| Write-down | | | | (610) | (610) | | (610) | |
| **NET CARRYING AMOUNT** | | | | **62,703** | **62,703** | **7** | **62,710** | |
| Treasury bills and similar securities | | | | | | | | |
| Gross value | | | | | | | | |
| Write-down | | | | | | | | |
| **NET CARRYING AMOUNT** | | | | | | | | |

## 5.4 TREASURY BILLS, BONDS AND OTHER FIXED-INCOME SECURITIES – ANALYSIS BY GEOGRAPHIC AREA

| *In € thousands* | Net exposures 31/12/2018 | Net exposures 31/12/2017 |
|---|---|---|
| **France (including overseas departments and territories)** | 63,314 | |
| Other E.U. jurisdictions | | |
| Other European jurisdictions | | |
| North America | | |
| Central and Latin America | | |
| Africa and Middle East | | |
| Asia and Oceania (excluding Japan) | | |
| Japan | | |
| **Total principal** | **63,314** | |
| Accrued interest | 7 | |
| Write-downs | (610) | |
| **NET CARRYING AMOUNT** | **62,710** | |

# Note 6 Equity investments and subsidiaries

| *In € thousands* | Financial information | | | | Carrying amount of shares held | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Company | Currency | Share capital | Equity other than capital | Percentage of capital owned | Gross value | Net value | Unpaid loans and advances from the Company | Amount of deposits and sureties given by the Company | Rev. (excl. tax) of last financial year | Net income (profit or loss for the last financial year ended) | Dividends received by the Company during the period |
| **Stakes with a book value higher than 1% of the Company's share capital** | | | | | | | | | | | |
| **1) Investments in banking subsidiaries and affiliates (over 50% of share capital)** | | | | | | | | | | | |
| | | | | | | | | | | | |
| **2) Investments in banking subsidiaries and affiliates (10% to 50% of share capital)** | | | | | | | | | | | |
| AMUNDI FINANCE | EUR | 40,320 | 543,724 | 23.87% | 227,357 | 227,357 | 100,000 | | 149,508 | 88,175 | |
| **3) Other investments in subsidiaries and affiliates (over 50% of share capital)** | | | | | | | | | | | |
| AMUNDI AM | EUR | 1,086,263 | 3,868,290 | 100.00% | 4,673,774 | 4,673,774 | | | 1,170,609 | 424,277 | |
| SOCIETE GENERALE GESTION | EUR | 567,034 | 46,267 | 100.00% | 582,437 | 582,437 | | | 241,339 | 46,027 | 35,569 |
| ETOILE GESTION | EUR | 29,000 | 3,361 | 100.00% | 155,000 | 155,000 | | | 88,551 | 16,849 | 8,881 |
| CPR ASSET MANAGEMENT | EUR | 53,446 | 38,760 | 86.36% | 99,563 | 99,563 | | | 175,520 | 50,252 | 34,340 |
| BFT GESTION | EUR | 1,600 | 50,659 | 99.99% | 60,374 | 60,374 | | | 50,467 | 12,446 | |
| AMUNDI IMMOBILIER | EUR | 16,685 | 36,134 | 100.00% | 63,989 | 63,989 | | | 172,670 | 54,568 | 45,900 |
| AMUNDI PRIVATE EQUITY FUND | EUR | 12,394 | 31,611 | 59.93% | 33,998 | 33,998 | | | 27,506 | 7,968 | 8,117 |
| **4) Other stakes (10% to 50% of share capital)** | | | | | | | | | | | |
| | | | | | | | | | | | |
| **Stakes with a book value lower than 1% of Amundi's share capital** | | | | | | | | | | | |
| | EUR | | | | 483 | 225 | | | | | |
| **TOTAL SUBSIDIARIES AND STAKES** | | | | | **5,896,976** | **5,896,718** | | | | | |

"Net income for the year ended" concerns income for the current financial year.

## 6.1 ESTIMATED VALUE OF EQUITY INVESTMENTS

| *In € thousands* | 31/12/2018 Balance sheet value | 31/12/2018 Estimated value | 31/12/2017 Balance sheet value | 31/12/2017 Estimated value |
|---|---|---|---|---|
| **Investments in subsidiaries and affiliates** | | | | |
| ■ Unlisted securities | 5,896,976 | 5,896,718 | 5,896,976 | 5,896,741 |
| ■ Listed securities | | | | |
| ■ Advances available for consolidation | | | | |
| ■ Accrued interest | | | | |
| ■ Write-downs | (258) | | (234) | |
| **Net carrying amount** | **5,896,718** | **5,896,718** | **5,896,741** | **5,896,741** |
| **Equity investments and other long-term investments** | | | | |
| **Equity investments** | | | | |
| ■ Unlisted securities | | | | |
| ■ Listed securities | | | | |
| ■ Advances available for consolidation | | | | |
| ■ Accrued interest | | | | |
| ■ Write-downs | | | | |
| **Sub-total of equity investments** | | | | |
| **Other long-term securities** | | | | |
| ■ Unlisted securities | | | | |
| ■ Listed securities | 286,926 | 188,809 | 283,979 | 225,134 |
| ■ Advances available for consolidation | | | | |
| ■ Accrued interest | | | | |
| ■ Write-downs | (98,117) | | (58,845) | |
| **Sub-total other long-term securities** | **188,809** | **188,809** | **225,134** | **225,134** |
| **Net carrying amount** | **188,809** | **188,809** | **225,134** | **225,134** |
| **TOTAL EQUITY INVESTMENTS** | **6,085,527** | **6,085,527** | **6,121,875** | **6,121,875** |

# Note 7 Change in fixed assets

## 7.1 FINANCIAL ASSETS

| *In € thousands* | 01/01/2018 | Increases (Acquisitions) | Decreases (disposal, maturity) | Other movements | 31/12/2018 |
|---|---|---|---|---|---|
| **Investments in subsidiaries and affiliates** | | | | | |
| Gross value | 5,896,976 | | | | 5,896,976 |
| Advances available for consolidation | | | | | |
| Accrued interest | | | | | |
| Write-downs | (234) | (96) | 72 | | (258) |
| **Net Carrying Amount** | **5,896,741** | **(96)** | **72** | | **5,896,718** |
| **Equity investments** | | | | | |
| Gross value | | | | | |
| Advances available for consolidation | | | | | |
| Accrued interest | | | | | |
| Write-downs | | | | | |
| **Other long-term securities** | | | | | |
| Gross value | 283,979 | | | 2,947 | 286,926 |
| Advances available for consolidation | | | | | |
| Accrued interest | | | | | |
| Write-downs | (58,845) | (36,325) | | (2,947) | (98,117) |
| **Net Carrying Amount** | **225,134** | **(36,325)** | | | **188,809** |
| **TOTAL** | **6,121,875** | **(36,420)** | **72** | | **6,085,527** |

The heading "Other movements" shows the effect of changes in foreign exchange rates on the value of fixed assets in foreign currencies.

## 7.2 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

| *In € thousands* | 01/01/2018 | Increases (Acquisitions) | Decreases (disposal, maturity) | Other movements | 31/12/2018 |
|---|---|---|---|---|---|
| **Property, plant and equipment** | | | | | |
| Gross value | 53 | | | | 53 |
| Depreciation and write-down | (28) | | | (11) | (38) |
| **Net Carrying Amount** | **25** | | | **(11)** | **15** |
| **Intangible assets** | | | | | |
| Gross value | 420 | | | | 420 |
| Depreciation and write-down | (420) | | | | (420) |
| **Net Carrying Amount** | | | | | |
| **TOTAL** | **25** | | | **(11)** | **15** |

# Note 8 Treasury shares

| In € thousands | 31/12/2018 | | | | 31/12/2017 |
|---|---|---|---|---|---|
| | Trading securities | Short-term investment securities | Fixed assets | Total | Total |
| Number | 201,150 | 612,931 | | 814,081 | 41,135 |
| Carrying amount | 9,285 | 30,608 | | 39,893 | 2,906 |
| Market value | 9,285 | 30,608 | | 39,893 | 2,906 |

Treasury shares held under a liquidity agreement are recognised in the trading book.

Treasury shares held for hedging a share award plan are recognised in the short-term investment portfolio.

# Note 9 Accruals, prepayments and sundry assets

| In € thousands | 31/12/2018 | 31/12/2017 |
|---|---|---|
| **Other assets**(1) | | |
| Financial options bought | | |
| Inventory accounts and miscellaneous | | |
| Miscellaneous debtors(2) | 389,064 | 543,811 |
| Collective management of the Sustainable development passbook account (LDD) securities | | |
| Settlement accounts | | |
| **Net carrying amount** | **389,064** | **543,811** |
| **Accruals** | | |
| Items in course of transmission from other banks | | |
| Adjustment accounts | | |
| Unrealised losses and deferred losses on financial instruments | | |
| Accrued income on commitments on forward financial instruments | | |
| Other accrued income | 40,964 | 15,633 |
| Prepaid expenses | 194 | 321 |
| Deferred expenses | 1,287 | |
| Other accruals | 277 | |
| **Net carrying amount** | **42,721** | **15,953** |
| **TOTAL** | **431,786** | **559,764** |

*(1) Amounts include accrued interest.*
*(2) Including €397 thousand as contribution to the Resolution Fund paid in the form of a security deposit. This security deposit is usable by the Resolution Fund at any time and without condition to finance an intervention.*

## Note 10 Write-downs deducted from assets

| In € thousands | Balance at 31/12/2017 | Increases | Reversals and utilisations | Accretion | Other movements | Balance at 31/12/2018 |
|---|---|---|---|---|---|---|
| On interbank transactions and similar items | | | | | | |
| On loans and receivables from customers | | | | | | |
| On securities transactions | 90,602 | 61,831 | (1,301) | | 3,287 | 154,419 |
| On fixed assets | | | | | | |
| On other assets | | | | | | |
| **TOTAL** | **90,602** | **61,831** | **(1,301)** | | **3,287** | **154,419** |

## Note 11 Due to credit institutions – Analysis by remaining maturity

| | 31/12/2018 | | | | | | | 31/12/2017 |
|---|---|---|---|---|---|---|---|---|
| In € thousands | ≤ 3 months | > 3 months ≤ 1 year | > 1 year ≤ 5 years | Above 5 years | Total principal | Accrued interest | Total | Total |
| **Credit institutions** | | | | | | | | |
| Accounts and borrowings: | | | | | | | | |
| ■ demand | 18,700 | | | | 18,700 | | 18,700 | 219,032 |
| ■ term | 617,998 | 341,002 | 276,000 | 1,000 | 1,235,970 | 903 | 1,236,873 | 657,212 |
| Securities sold under repurchase | | | | | | | | |
| Securities sold under repurchase agreements | | | | | | | | |
| **BALANCE SHEET VALUE** | **636,698** | **341,002** | **276,000** | **1,000** | **1,254,670** | **903** | **1,255,573** | **876,244** |

## Note 12 Due to customers

### 12.1 DUE TO CUSTOMERS – ANALYSIS BY REMAINING MATURITY

| | 31/12/2018 | | | | | | | 31/12/2017 |
|---|---|---|---|---|---|---|---|---|
| In € thousands | < 3 months | > 3 months < 1 year | > 1 year under 5 | Above 5 years | Total principal | Accrued interest | Total | Total |
| Current accounts in credit | | | | | | | | |
| Special savings accounts: | | | | | | | | |
| ■ demand | | | | | | | | |
| ■ term | | | | | | | | |
| Other amounts due to customers | 37,400 | | | | 2,786,000 | 4 | 2,786,004 | 2,727,300 |
| ■ demand | 37,400 | | | | 37,400 | | 37,400 | 58,100 |
| ■ term | | | | | 2,748,600 | 4 | 2,748,604 | 2,669,200 |
| Securities sold under repurchase agreements | | | | | | | | |
| **BALANCE SHEET VALUE** | **37,400** | | | | **2,786,000** | **4** | **2,786,004** | **2,727,300** |

### 12.2 DUE TO CUSTOMERS – ANALYSIS BY GEOGRAPHIC AREA

| *In € thousands* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| France (including overseas departments and territories) | 2,546,000 | 2,587,300 |
| Other E.U. jurisdictions | 240,000 | 140,000 |
| Other European jurisdictions | | |
| North America | | |
| Central and Latin America | | |
| Africa and Middle East | | |
| Asia and Oceania (excluding Japan) | | |
| Japan | | |
| Non-allocated and international organisations | | |
| **Total principal** | **2,786,000** | **2,727,300** |
| Accrued interest | 4 | |
| **BALANCE SHEET VALUE** | **2,786,004** | **2,727,300** |

### 12.3 DUE TO CUSTOMERS – ANALYSIS BY CUSTOMER TYPE

| *In € thousands* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Individual customers | | |
| Farmers | | |
| Other professionals | | |
| Financial companies | 2,786,000 | 2,727,300 |
| Corporates | | |
| Public authorities | | |
| Other customers | | |
| **Total principal** | **2,786,000** | **2,727,300** |
| Accrued interest | 4 | |
| **BALANCE SHEET VALUE** | **2,786,004** | **2,727,300** |

## Note 13 **Debt securities**

### 13.1 DEBT SECURITIES – ANALYSIS BY REMAINING MATURITY

| | 31/12/2018 | | | | | | | 31/12/2017 |
|---|---|---|---|---|---|---|---|---|
| *In € thousands* | ≤ 3 months | > 3 months ≤ 1 year | > 1 year ≤ 5 years | Above 5 years | Total principal | Accrued interest | Total | Total |
| Short-term securities | | | | | | | | |
| Interbank market securities | | | | | | | | |
| Negotiable debt obligations | | 15,002 | | 63,314 | 78,316 | 105 | 78,420 | |
| Bonds | | | | | | | | |
| Other debt securities | | | | | | | | |
| **BALANCE SHEET VALUE** | | **15,002** | | **63,314** | **78,316** | **105** | **78,420** | |

### 13.2 BONDS (BY CURRENCY OF ISSUANCE)

None

## Note 14 Accruals, deferred income and sundry liabilities

| *In € thousands* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| **Other liabilities**[1] | | |
| Counterparty transactions (trading securities) | | |
| Debt representing borrowed securities | | |
| Financial options sold | 1,287 | |
| Settlement and trading accounts | | |
| Miscellaneous creditors | 364,909 | 404,066 |
| Outstanding payments on securities | | |
| **Balance sheet value** | **366,196** | **404,066** |
| **Accruals** | | |
| Items in course of transmission from other banks | | |
| Adjustment accounts | | |
| Unrealised gains and deferred gains on financial instruments | | |
| Unearned income | | |
| Accrued expenses on commitments on forward financial instruments | | |
| Other accrued expenses | 8,943 | 9,719 |
| Other accruals | | |
| **Balance sheet value** | **8,943** | **9,719** |
| **TOTAL** | **375,139** | **413,785** |

(1) *Amounts include accrued interest.*

## Note 15 Provisions

| *In € thousands* | Balance at 01/01/2018 | Increases | Reversals used | Reversals not used | Other movements | Balance at 31/12/2018 |
|---|---|---|---|---|---|---|
| **Provisions** | | | | | | |
| For retirement obligations and similar | | | | | | |
| For other employee commitments | | | | | | |
| For financing commitment execution risks | | 67 | | | | 67 |
| For tax disputes | | | | | | |
| For other litigation | | | | | | |
| For jurisdiction risk | | | | | | |
| For credit risk | | | | | | |
| For restructuring | | | | | | |
| For taxes | | | | | | |
| For equity investments | | | | | | |
| For operational risk | | | | | | |
| Other provisions | 205 | 39,416 | | (36) | | 39,586 |
| **BALANCE SHEET VALUE** | **205** | **39,484** | | **(36)** | | **39,653** |

## Note 16 Home purchase savings contracts

None

## Note 17 Liabilities to employees – Post-employment benefits, defined-benefit plans

### Change in actuarial liability

| In € thousands | 31/12/2018 | 31/12/2017 |
|---|---|---|
| ACTUARIAL LIABILITY AT 31/12/N-1 | 332 | 318 |
| Cost of services rendered during the period | 31 | 16 |
| Effect of discounting | | |
| Employee contributions | | |
| Benefit plan changes, withdrawals and settlement | | |
| Change in scope | | |
| Early retirement allowances | | |
| Benefits paid | | |
| Actuarial gains (losses) | 71 | (2) |
| ACTUARIAL LIABILITY AT 31/12/N | 434 | 332 |

### Breakdown of the expense recognised in the income statement

| In € thousands | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Cost of services rendered during the period | 31 | 16 |
| Financial cost | 5 | 3 |
| Expected return on assets for the period | | |
| Amortisation of cost of past services | (12) | (11) |
| Other gains (losses) | | |
| NET EXPENSE RECOGNISED IN THE INCOME STATEMENT | 24 | 8 |

### Change in fair value of plan assets

| In € thousands | 31/12/2018 | 31/12/2017 |
|---|---|---|
| FAIR VALUE OF ASSETS/ RIGHT TO REIMBURSEMENT AT 31/12/N-1 | 853 | 855 |
| Expected return on assets | 12 | 11 |
| Actuarial gains (losses) | 1 | (13) |
| Employer contributions | | |
| Employee contribution | | |
| Benefit plan changes, withdrawals and settlement | | |
| Change in scope | | |
| Early retirement allowances | | |
| Benefits paid by the fund | | |
| FAIR VALUE OF ASSETS/ RIGHT TO REIMBURSEMENT AT 31/12/N | 866 | 853 |

### Net position

| In € thousands | 31/12/2018 | 31/12/2017 |
|---|---|---|
| ACTUARIAL LIABILITY AT 31/12/N | 434 | 332 |
| Impact of asset restriction | | |
| Fair value of assets at reporting date | (866) | (853) |
| NET POSITION (LIABILITIES)/ASSETS AT 31/12/N | 432 | 521 |

## Note 18 Fund for general banking risks

| *In € thousands* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Fund for general banking risks | 37,149 | 37,149 |
| **BALANCE SHEET VALUE** | **37,149** | **37,149** |

## Note 19 Subordinated debt – Analysis by remaining maturity

| | 31/12/2018 | | | | | | | 31/12/2017 |
|---|---|---|---|---|---|---|---|---|
| *In € thousands* | < 3 months | > 3 months < 1 year | > 1 year < 5 years | Above 5 years | Total principal | Accrued interest | Total | Total |
| Subordinated term debt | | | | | | | | |
| Euro | | | | | | | | |
| Dollar | | | | | | | | |
| Securities and equity loans | | | | | | | | |
| Other term subordinated loans | | | | | | | | |
| Perpetual subordinated debt[(1)] | | | | 300,000 | 300,000 | 3,826 | 303,826 | 303,859 |
| Blocked C/C from Local Banks | | | | | | | | |
| Mutual security deposits | | | | | | | | |
| **BALANCE SHEET VALUE** | | | | **300,000** | **300,000** | **3,826** | **303,826** | **303,859** |

*(1) Residual term of perpetual subordinated debt set by default at > 5 years.*

## Note 20 Change in equity (before appropriation)

| *In € thousands* | Share capital | Premiums, reserves and retained earnings | Interim dividend | Regulated provisions & investment subsidies | Net income | Total equity |
|---|---|---|---|---|---|---|
| **Balance at 31 December 2017** | **503,776** | **4,087,704** | | | **136,779** | **4,728,260** |
| Dividends paid for 2017 | | (503,601) | | | | (503,601) |
| Change in share capital | 484 | | | | | 484 |
| Change in share premiums and reserves | | 9,263 | | | | 9,263 |
| Allocation of Parent company net income | | 136,779 | | | (136,779) | |
| Retained earnings | | | | | | |
| Net income for 2018 | | | | | 487,745 | 487,745 |
| Other changes | | | | | | |
| **BALANCE AT 31 DECEMBER 2018** | **504,261** | **3,730,146** | | | **487,745** | **4,722,152** |

The share capital is composed of 201,704,354 shares with a par value of €2.50 each.

## Note 21 Composition of capital

| In € thousands | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Equity | 4,722,152 | 4,728,260 |
| Fund for general banking risks | 37,149 | 37,149 |
| Subordinated debt and participating securities | 303,826 | 303,859 |
| Mutual security deposits | | |
| **TOTAL EQUITY** | **5,063,127** | **5,069,268** |

## Note 22 Transactions with subsidiaries and affiliates and equity investments

| | Balance at 31 December 2018 | Balance at 31 December 2017 |
|---|---|---|
| In € thousands | Transactions with subsidiaries and affiliates and equity investments | Transactions with subsidiaries and affiliates and equity investments |
| **Receivables** | **1,318,337** | **850,775** |
| due from credit institutions and financial institutions | 1,060,476 | 594,368 |
| due from customers | 195,150 | 256,407 |
| Bonds and other fixed-income securities | 62,710 | |
| **Debt** | **4,345,402** | **3,907,402** |
| Credit institutions and financial institutions | 1,255,572 | 876,244 |
| Due from customers | 2,786,004 | 2,727,300 |
| Debt securities and subordinated debt | 303,826 | 303,859 |
| **Commitments given** | **24,895** | **25,988** |
| Financing commitments to credit institutions | | |
| Financing commitments to customers | | |
| Guarantees given to credit institutions | | |
| Guarantees given to customers | 24,895 | 25,988 |
| Securities acquired with repurchase options | | |
| Other commitments given | | |

## Note 23 Transactions in foreign currencies

| | 31/12/2018 | | 31/12/2017 | |
|---|---|---|---|---|
| In € thousands | Assets | Equity and liabilities | Assets | Equity and liabilities |
| Euro | 9,223,678 | 9,491,422 | 8,783,657 | 9,032,622 |
| Other European Union currencies | 283 | | 397 | 2,767 |
| Swiss franc | | | | |
| Dollar | 2,776 | 23,309 | 29,574 | 47,566 |
| Yen | 291,462 | | 273,170 | |
| Other currencies | 10 | 3,477 | 3 | 3,845 |
| **TOTAL** | **9,518,208** | **9,518,208** | **9,086,801** | **9,086,801** |

## Note 24 Foreign exchange transactions, loans and borrowings

None

# Note 25 Forward financial instruments

| In € thousands | 31/12/2018 Hedging transactions | 31/12/2018 Transactions other than hedging transactions | 31/12/2018 Total | 31/12/2017 Total |
|---|---|---|---|---|
| **Outright transactions** | | **78,316** | **78,316** | |
| **Transactions on organised markets**[(1)] | | | | |
| Forward rate agreements | | | | |
| Forward exchange contracts | | | | |
| Share and stock market index futures | | | | |
| Other forward contracts | | | | |
| **OTC transactions**[(1)] | | **78,316** | **78,316** | |
| Interest rate swaps | | 15,002 | 15,002 | |
| Other forward rate contracts | | | | |
| Forward exchange contracts | | | | |
| FRA | | | | |
| Share and stock market index futures | | 63,314 | 63,314 | |
| Other forward contracts | | | | |
| **Options** | | **15,002** | **15,002** | |
| **Transactions on organised markets** | | | | |
| Forward rate agreements | | | | |
| ■ Purchased | | | | |
| ■ Sold | | | | |
| Share and stock market index forward contracts | | | | |
| ■ Purchased | | | | |
| ■ Sold | | | | |
| Forward exchange contracts | | | | |
| ■ Purchased | | | | |
| ■ Sold | | | | |
| **OTC transactions** | | **15,002** | **15,002** | |
| Rate swap options | | | | |
| ■ Purchased | | | | |
| ■ Sold | | | | |
| Other forward interest-rate instruments | | | | |
| ■ Purchased | | | | |
| ■ Sold | | | | |
| Forward exchange contracts | | | | |
| ■ Purchased | | | | |
| ■ Sold | | | | |
| Share and stock market index futures | | | | |
| ■ Purchased | | 15,002 | 15,002 | |
| ■ Sold | | | | |
| Other forward contracts | | | | |
| ■ Purchased | | | | |
| ■ Sold | | | | |
| **Credit derivatives** | | | | |
| Credit derivative contracts: | | | | |
| ■ Purchased | | | | |
| ■ Sold | | | | |
| **TOTAL** | | **93,318** | **93,318** | |

*(1) The amounts indicated under outright transactions must correspond to the aggregate of lending and borrowing positions (rate swaps and rate swap options), or to the aggregate of contract purchases and sales (other contracts).*

## 25.1 FORWARD FINANCIAL INSTRUMENTS: NOTIONAL AMOUNTS BY REMAINING MATURITY

| | 31/12/2018 total | | | Of which transactions completed OTC | | | Of which transactions on organised markets and similar | | |
|---|---|---|---|---|---|---|---|---|---|
| *In € thousands* | < 1 year | > 1 year < 5 years | Above 5 years | < 1 year | > 1 year < 5 years | Above 5 years | < 1 year | > 1 year < 5 years | Above 5 years |
| Futures | | | | | | | | | |
| Foreign exchange options | | | | | | | | | |
| Rate options | | | | | | | | | |
| Outright currency transactions on organised markets | | | | | | | | | |
| FRA | | | | | | | | | |
| Interest rate swaps | 15,002 | | 63,314 | 15,002 | | 63,314 | | | |
| Currency swaps | | | | | | | | | |
| Caps, Floors, Collars | | | | | | | | | |
| Forward rate | | | | | | | | | |
| Outright transactions on shares and indices | | | | | | | | | |
| Shares and index options | | | | | | | | | |
| Share and stock index derivatives | | | | | | | | | |
| **Sub-total** | **15,002** | | **63,314** | **15,002** | | **63,314** | | | |
| Forward exchange transactions | | | | | | | | | |
| **OVERALL TOTAL** | **15,002** | | **63,314** | **15,002** | | **63,314** | | | |

## 25.2 FORWARD FINANCIAL INSTRUMENTS: FAIR VALUE

| | 31/12/2018 | | 31/12/2017 | |
|---|---|---|---|---|
| *In € thousands* | Fair value | Notional amounts | Fair value | Notional amounts |
| Futures | | | | |
| Foreign exchange options | | | | |
| Outright currency transactions on organised markets | | | | |
| FRA | | | | |
| Interest rate swaps | 133 | 15,002 | | |
| Currency swaps | | | | |
| Caps, Floors, Collars | | | | |
| Derivatives on shares, stock exchange indices and precious metals | (1,143) | 78,316 | | |
| **Sub-total** | **(1,010)** | **93,318** | | |
| Forward exchange transactions | | | | |
| **TOTAL** | **(1,010)** | **93,318** | | |

# Note 26 Commitments given or received

| *In € thousands* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| **COMMITMENTS GIVEN** | **1,731,957** | **912,441** |
| **Financing commitments** | | |
| Commitments to credit institutions | | |
| Commitments to customers | | |
| ■ Confirmed credit lines | | |
| ■ Documentary credit lines | | |
| ■ Other confirmed credit lines | | |
| ■ Other commitments to customers | | |
| **Guarantee commitments** | **1,731,957** | **912,441** |
| Commitments from credit institutions | | |
| ■ Confirmed documentary credit lines | | |
| ■ Other guarantees | | |
| Commitments from customers | 1,731,957 | 912,441 |
| ■ Real estate guarantees | | |
| ■ Financial guarantees | | |
| ■ Other customer guarantees | 1,731,957 | 912,441 |
| **Commitments on securities** | | |
| ■ Securities acquired with repurchase options | | |
| ■ Other commitments to be given | | |
| **COMMITMENTS RECEIVED** | **1,750,000** | **2,000,000** |
| **Financing commitments** | **1,750,000** | **1,750,000** |
| Commitments received from credit institutions | 1,750,000 | 1,750,000 |
| Commitments received from customers | | |
| **Guarantee commitments** | | |
| Commitments received from credit institutions | | 250,000 |
| Commitments received from customers | | |
| **Commitments on securities** | | |
| Securities sold with repurchase options | | |
| Other commitments received | | |

# Note 27 Information regarding counterparty risk on derivatives

| | 31/12/2018 | | | 31/12/2017 | | |
|---|---|---|---|---|---|---|
| *In € thousands* | Market value | Potential credit risk | Total counterparty risk | Market value | Potential credit risk | Total counterparty risk |
| Risks on OECD governments and central banks and similar organisations | | | | | | |
| Risks on OECD financial institutions and similar organisations | (1,010) | | (1,010) | | | |
| Risks on other counterparties | | | | | | |
| **Total before effect of clearing agreements** | **(1,010)** | | **(1,010)** | | | |
| **Of which risk on contracts for:** | | | | | | |
| ■ Interest rates, foreign exchange and raw materials | 133 | | 133 | | | |
| ■ Equity and index derivatives | (1,143) | | (1,143) | | | |
| **Total before effect of clearing agreements** | **(1,010)** | | **(1,010)** | | | |
| **Impacts of clearing agreements** | | | | | | |
| **TOTAL AFTER EFFECT OF CLEARING AGREEMENTS** | **(1,010)** | | **(1,010)** | | | |

# Note 28 Net interest and similar income

| In € thousands | 31/12/2018 | 31/12/2017 |
|---|---|---|
| On transactions with credit institutions | 4,286 | 7,382 |
| On transactions with customers | 2,615 | 3,620 |
| On bonds and other fixed-income securities | 134 | |
| Net income on macro-hedging transactions | | |
| Other interest and similar income | | 1,450 |
| **Interest and similar income** | **7,036** | **12,452** |
| On transactions with credit institutions[1] | (7,691) | (9,746) |
| On transactions with customers | (26) | |
| Net expense on macro-hedging transactions | (1,900) | |
| On bonds and other fixed-income securities | (105) | |
| Other interest and similar expenses[2] | (3,850) | (73) |
| **Interest and similar expenses** | **(13,572)** | **(9,818)** |
| **TOTAL NET INTEREST AND SIMILAR INCOME** | **(6,536)** | **2,634** |

*(1) Of which €5,886 thousand for expenses related to subordinated debt.*
*(2) Of which €1,545 thousand for the cost of financing the "Revolving Credit Facility" granted to Amundi for €1,750,000 thousand;*

# Note 29 Income from securities

| In € thousands | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Short-term investment securities | | |
| Sustainable development passbook account (LDD) | | |
| Long-term investment securities | | |
| Other securities transactions | | |
| **Income from fixed-income securities** | | |
| Investments in subsidiaries and affiliates, equity investments and other long-term investments | 549,786 | 102,066 |
| Short-term investment securities and medium-term portfolio securities | 723 | 3,732 |
| Miscellaneous securities transactions | | |
| **Income from variable-income securities** | **550,508** | **105,799** |
| **TOTAL INCOME FROM SECURITIES** | **550,508** | **105,799** |

# Note 30 Net commission and fee income

| | 31/12/2018 | | | 31/12/2017 | | |
|---|---|---|---|---|---|---|
| In € thousands | Proceeds | Expenses | Net | Proceeds | Expenses | Net |
| On transactions with credit institutions | | | | | | |
| On transactions with customers | | | | | | |
| On securities transactions | | (554) | (554) | | (66) | (66) |
| On forward financial instruments and other off-balance sheet transactions | 4,269 | | 4,269 | 1,411 | | 1,411 |
| On financial services | | | | | | |
| Provisions for commission and fee risks | | | | | | |
| **TOTAL NET COMMISSION AND FEE INCOME** | **4,269** | **(554)** | **3,714** | **1,411** | **(66)** | **1,345** |

# Note 31 Net gains (losses) on trading book

| In € thousands | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Net gains (losses) on trading account securities | (2,473) | 1,007 |
| Net gains/(losses) on currency and similar financial instrument transactions | | |
| Net gains (losses) on other forward financial instruments | 518 | |
| **NET GAINS (LOSSES) ON TRADING BOOK** | **(1,955)** | **1,007** |

# Note 32 Net gains (losses) on short-term investment portfolio and similar

| In € thousands | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Short-term investment securities | | |
| Write-downs | (61,831) | (1,702) |
| Reversals of write-downs | 1,301 | 11,844 |
| Net write-downs | (60,530) | 10,142 |
| Gains on disposals | 2,236 | 34,875 |
| Losses on disposals | (5,208) | (4,713) |
| Net gains (losses) on disposals | (2,972) | 30,162 |
| **Net gains (losses) on short-term investment securities** | **(63,503)** | **40,304** |
| Medium-term portfolio securities | | |
| Write-downs | | |
| Reversals of write-downs | | |
| Net write-downs | | |
| Gains on disposals | | |
| Losses on disposals | | |
| Net gains (losses) on disposals | | |
| **Net gains (losses) on medium-term portfolio securities** | | |
| **NET GAINS (LOSSES) ON INVESTMENT PORTFOLIOS AND SIMILAR** | **(63,503)** | **40,304** |

# Note 33 Other banking income and expenses

| In € thousands | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Sundry income | | 13 |
| Share of joint ventures | | |
| Charge-backs and expense reclassification | 11,592 | 10,639 |
| Provision reversals | | |
| **Other income from banking operations** | **11,592** | **10,651** |
| Miscellaneous expenses | (92) | |
| Share of joint ventures | | |
| Charge-backs and expense reclassification | (11,940) | (10,845) |
| Provisions | | |
| **Other expenses from banking operations** | **(12,032)** | **(10,845)** |
| **OTHER BANKING INCOME AND EXPENSES** | **(439)** | **(194)** |

# Note 34 Operating expenses

| *In € thousands* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| **Employee expenses** | | |
| Salaries | (41,920) | (1,754) |
| Social security expenses | (1,445) | (863) |
| Profit-sharing and incentive plans | (126) | (129) |
| Payroll related taxes | (297) | (281) |
| **Total employee expenses** | **(43,788)** | **(3,027)** |
| Charge-backs and personnel expense reclassification | 38,469 | 60 |
| **Net employee expenses** | **(5,318)** | **(2,967)** |
| **Administrative costs** | | |
| Taxes(1) | (3,615) | (2,896) |
| External services and other administrative expenses | (13,595) | (18,541) |
| **Total administrative expenses** | **(17,210)** | **(21,436)** |
| Charge-backs and administrative expense reclassification | 779 | 9,310 |
| **Net administrative costs** | **(16,431)** | **(12,126)** |
| **OPERATING EXPENSES** | **(21,749)** | **(15,093)** |

*(1) Of which €654 thousand for the Resolution Fund.*

## 34.1 HEADCOUNT BY CATEGORY

| *In average headcount* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Executive | 12 | 10 |
| Non-executives | | 1 |
| **TOTAL** | **12** | **11** |
| *Of which:* | *12* | *10* |
| ■ France | | |
| ■ Abroad | | |
| *Of which seconded employees* | | |

# Note 35 Cost of risk

| *In € thousands* | 31/12/2018 | 31/12/2017 |
|---|---|---|
| **Provisions and write-downs** | **(67)** | |
| Write-downs of doubtful receivables | | |
| Other provisions and write-downs | (67) | |
| **Reversal of provisions and write-downs** | | |
| Reversals of write-downs of doubtful receivables | | |
| Other reversals of provisions and write-downs | | |
| **Change in provisions and write-downs** | **(67)** | |
| Losses on irrecoverable receivables without write-downs | | |
| Losses on irrecoverable receivables with write-downs | | |
| Discount on restructured loans | | |
| Recovered amounts on depreciated receivables | | |
| Other losses | | |
| Other income | | |
| **COST OF RISK** | **(67)** | |

# Note 36 Net income on fixed assets

None

# Note 37 Income tax charge

Amundi heads the tax consolidation group established since the financial year ended 31 December 2010.

The Group had taxable income of €506,540,158 for the financial year ended 31 December 2018.

No tax loss carryforwards were identified at Group level for the year ended 31 December 2018.

The total income tax charge generated by the companies within the scope and recognised as income for the Parent company stands at €195,826,303.

The corporate tax owed to the Public Treasury by the company heading the Group for the year ended 31 December 2018 is €172,236,128.

Individually and in the absence of tax consolidation, Amundi as the consolidating company would not have incurred a tax liability at 31 December 2017.

By agreement, the subsidiaries pay the income tax charge they would have incurred in the absence of a tax consolidation group.

# Note 38 Allocation of income

| | In € |
|---|---|
| Profit for the year | 487,745,074.82 |
| Allocation to the Legal Reserve | 0.00 |
| Previous retained earnings | 1,184,164,242.79 |
| **Total (distributable profit)** | **1,671,909,317.61** |
| **ALLOCATION** | |
| Dividend distribution | 584,942,626.60 |
| Retained earnings after allocation | 1,086,966,691.01 |
| **TOTAL** | **1,671,909,317.61** |

These items are presented based on the allocation that will be proposed to the General Meeting on 16 May 2019.

# Note 39 Presence in non-cooperative States or territories

None

# Note 40 Compensation of members of the management bodies

Amundi paid €3.347 million in compensation to members of the management bodies.

During the year, no advances or loans were granted to members of the administrative or management bodies and no commitments were made on their behalf as any kind of guarantee.

Directors' fees and other compensation received by members of the Board of Directors are presented in chapter 2.5.5 of this Registration Document, "Directors' compensation".

# Note 41 Statutory auditors' fees

The company is fully consolidated in the Amundi Group. Consequently, information on the statutory auditors' fees is provided in the notes to the consolidated financial statements of the Amundi Group.

# 7.3 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended December 31, 2018

*This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and is provided solely for the convenience of English speaking readers. This report includes information required by European regulations and French law, such as information about the appointment of Statutory Auditors or verification of the management report and other documents provided to the shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Annual General Meeting of Amundi,

## OPINION

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of Amundi for the year ended December 31, 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

## BASIS FOR OPINION

### *Audit framework*

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

### *Independence*

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from January 1, 2018 to the date of our report and specifically we did not provide any non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

## EMPHASIS OF MATTER

We draw your attention to the changes in accounting policies set out in the Note 2 "Accounting principles and methods" of the annual financial statements relating to:

- new ANC regulations or the modification of existing ANC regulations;
- the new credit risk provisioning model for performing loans, designed to transpose the new credit risk provisioning model introduced by IFRS 9 for expected credit losses in the financial statements as from 1 January 2018;
- change of presentation in the profit and loss account of the reversal due to the passage of time or effect of discounting, of the impairment of doubtful loans.

Our opinion is not modified in respect of these matters.

## JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

### *Measurement of unlisted equity investments and subsidiaries*

| *Description of risk* | *How our audit addressed this risk* |
|---|---|
| Unlisted investments in subsidiaries and affiliates are recorded in the balance sheet for the net amount of € 5.9 billion as at December 31, 2018, and is detailed in the Note 6 of the consolidated financial statements.<br>As stated in Note 2.2 to the financial statements, investments in subsidiaries and affiliates are recorded at their acquisition cost and are valued at the reporting date according to their value in use.<br>An impairment loss is recognised when the value in use of the investments is lower than their historical cost.<br>The value in use may be estimated on the basis of various factors, such as the issuer's profitability and profitability outlooks, its equity and the economic environment.<br>Considering the judgement involved in the choice of methods used to determine the value in use, and in the assumptions underlying these methods, we considered that the estimate of the value in use of unlisted investments in subsidiaries and affiliates constituted a key audit matter. | Our work consisted in:<br>▪ Updating, through discussion, our understanding of the procedures set up by Amundi Group in order to value unlisted investments in subsidiaries and affiliates;<br>▪ Performing the verification, through sampling, of the permanence of methods used to determine the values in use of the equity holdings;<br>▪ Performing the verification, through sampling, of the financial aggregates used to estimate the value in use of the investments in subsidiaries and affiliate by reconciling them with the closing balance sheets and profit and loss accounts of the entities assessed;<br>▪ Comparing, where appropriate, the levels of multiples used to calculate the value in use with external benchmarks<br>Finally, for the investments in subsidiaries and affiliates whose estimated value in use is lower than their acquisition price, we evaluated the consistency of the impairment losses recognized with the calculation of the values in use. |

## SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and and regulations.

### *Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders*

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements except for the point described below:

We have the following matter to report regarding the fair presentation and consistency with the annual accounts related to payment terms stipulated in Article D. 441-4 of the French Commercial Code call,: As stated in the management's report, this information does not include bank and other related transactions, as your Company considers that such operations fall outside the scope of disclosable information .

### *Report on corporate governance*

We attest that the Board of Directors report on corporate governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

### *Other information*

In accordance with French law, we have verified that the required information concerning the identity of the shareholders or holders of the voting has been properly disclosed in the management report.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### *Appointment of the Statutory Auditors*

ERNST & YOUNG et Autres was appointed as statutory auditor by the Annual General Meetings held on November 16, 1989 and on May 31, 1991 for PricewaterhouseCoopers Audit .

As at December 31, 2018, ERNST & YOUNG et Autres in the twenty-seventh year and PricewaterhouseCoopers Audit was in the thirtieth year of total uninterrupted engagement , respectively, of which twenty years since the Company became a public interest entity, due to its status as a credit institution.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

## RESPONSIBILITIES OF THE STATUTORY AUDITORS RELATING TO THE AUDIT OF THE FINANCIAL STATEMENTS

### *Objective and audit approach*

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

*Report to the Audit Committee*

We submit to the Audit Committee a report, which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee any risks to our independence and the related safeguard measures.

Neuilly-sur-Seine and Paris-La Défense, March 22, 2019

The Statutory Auditors

French original signed by

| PricewaterhouseCoopers Audit | | ERNST & YOUNG et Autres | |
|---|---|---|---|
| Laurent Tavernier | Anik Chaumartin | Olivier Durand | Claire Rochas |

# General information

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# 8.1 ARTICLES OF ASSOCIATION

## SECTION I – FORM- COMPANY NAME- OBJECTS- REGISTERED OFFICE- TERM

### Article 1 – Form

The Company is a French *société anonyme* (public limited company). The Company is governed by applicable law and regulations and by these Articles of Association.

### Article 2 – Company name

The Company's name is "Amundi".

### Article 3 – Objects

The Company's objects are to carry out the operations listed below with any natural or legal person, both inside and outside France, for itself, on behalf of third parties or in partnership:

- operations that its certification as a credit institution by the *Autorité de contrôle prudentiel et de résolution* (authority charged with prudential supervision) (formerly known as CECEI) allows it to carry out;
- all associated operations within the meaning of the French Monetary and Financial Code (*Code monétaire et financier*);
- the creation or acquisition of stakes in all companies or other entities whether French or foreign, in particular portfolio management companies, investment businesses and credit institutions;
- and, more generally, all operations directly or indirectly associated with these objects or likely to facilitate their achievement.

### Article 4 – Registered office

The Company's registered office is located at 91-93, Boulevard Pasteur, 75015 Paris.

The registered office may be transferred to any other place in accordance with applicable law and regulations.

### Article 5 – Term

The Company's term, which started on 6 November 1978, will end on 5 November 2077 unless it is wound up in advance or extended in accordance with the conditions set down by law.

## SECTION II – SHARE CAPITAL – SHARES

### Article 6 – Share capital

The Company's share capital is set at an amount of €504,260,885, represented by 201,704,354 shares of € 2.5 each, all of the same class and fully paid up.

Pursuant to the terms of the contribution agreement dated 14 September 2016, as approved by the Board of Directors of the Company on 27 October 2016, Crédit Agricole Immobilier contributed 165,195 Crédit Agricole Immobilier Investors shares, representing 100% of the capital and voting rights of Crédit Agricole Immobilier Investors, and free of any pledge, privilege or any third-party rights, in exchange for the allocation of 680,232 ordinary Amundi shares to Crédit Agricole Immobilier.

### Article 7 – Form of shares

Shares are registered or bearer shares, at the shareholder's choice, subject to the provisions of applicable law and regulations.

Shares are subscribed for in accordance with applicable law.

The Board of Directors determines the amount and timing of payments of outstanding sums due in respect of shares to be paid up in cash.

Any and all calls for payment will be published at least fifteen days in advance in a journal publishing legal notices in the department in which the registered office is located.

Any payment not made by the due date will automatically bear interest for the benefit of the Company, at the legal rate plus one percentage point calculated from this due date, with no formal notice.

### Article 8 – Identification of shareholders – Disclosure of holdings in excess of thresholds

In accordance with applicable law and regulations, the Company has the right to request the Central Securities Depository, at any time and at its expense, to provide the name or corporate name, nationality, date of birth or date of incorporation, postal address and, if need be, the electronic address of holders of bearer shares which give a present or future right to vote in its General Meetings, together with the number of shares held by each one of them and, if need be, any restrictions that may apply to the shares. On the basis of the list provided by the Central Securities Depository, the Company has the right to ask those on the list whom the Company considers might be acting on behalf of third parties, to provide the information set out above concerning the owners of the shares.

If a person who has been asked for information fails to provide it within the time limits set down by the law and regulations, or provides incomplete or inaccurate information concerning either its status or the name of the owner of the shares, the shares or securities which confer present or future entitlement to share capital, for which this person was registered, will lose their right to vote in any and all shareholder meetings until this identification information has been provided; the payment of any dividend is deferred until this date.

In addition to the legal obligation to inform the Company of the holding of certain percentages of share capital, any natural or legal person, acting alone or in concert, who comes to hold directly or indirectly a percentage of share capital, voting rights or a class of securities conferring future entitlement to the Company's share capital, equal to or in excess of 1.5% and thereafter any multiple of 0.5%, together with holdings in excess of the thresholds set down by the law and regulations, must inform the Company, by registered letter with acknowledgement of receipt, of the number of securities held within five trading days of the crossing of each of these thresholds.

Subject to the above, this obligation set down by these Articles of Association is governed by the same provisions as those governing the legal obligation, including those instances where the law and regulations treat certain securities and rights as forming part of a shareholding.

If the above mentioned declaration is not made, the shares in excess of the percentage that should have been disclosed will lose their voting rights in shareholder meetings if, at the time of a meeting, the failure to disclose has been recorded and if one or more shareholders together holding at least 3% of the Company's share capital or voting rights so request at this meeting.

Any natural or legal person must also inform the Company, in the manner and within the time limits described in paragraph 3 above, in the event that their direct or indirect holdings drop below any of the thresholds set out above.

### Article 9 – Rights and obligations attached to shares

In addition to the right to vote, each share entitles its holder to a share in Company assets, profits and the liquidation surplus in proportion to the number of shares issued.

Under the conditions set down by law and these Articles of Association, each share carries a right to attend and to vote in General Meetings. The double voting right set down by Article L. 225-123 of the French Commercial Code (*Code de commerce*) is expressly excluded.

Where a certain number of shares must be held in order to exercise any right, more particularly in the case of the exchange, conversion, consolidation or allocation of free shares, share capital decrease, merger, demerger or any other operation, a shareholding of less than the requisite number of shares grants its owner no right against the Company, and shareholders shall personally ensure that they obtain the requisite number of shares required or a multiple thereof; the provisions of Article L. 228-6 of the Commercial Code shall apply to fractional shares.

## SECTION III – MANAGEMENT OF THE COMPANY

### Article 10 – The Board of Directors

The Company is managed by a Board of Directors. The minimum and maximum number of members is set down by applicable law.

Each director must own at least 200 shares during his/her term of office.

The Board of Directors is renewed each year by rotation; this rotation will concern a certain number of Board members.

The General Meeting sets the length of a director's term of office at three years, subject to legal provisions allowing for any extension, to end with the ordinary general meeting of shareholders deliberating on the accounts for the previous financial year and held in the year in which the said director's term of office comes to an end.

Exceptionally, in order to begin or maintain the above mentioned rotation, the General Meeting may appoint one or more directors for a different term of no more than 4 years, in order to allow a staggered renewal of directors' terms of office. The duties of any director thus appointed for a term of no more than 4 years will end with the ordinary general meeting of shareholders deliberating on the accounts for the previous financial year and held in the year in which the said director's term of office comes to an end.

The number of directors who are natural persons and over 70 years of age may not exceed one-third of the total number of directors at the end of the financial year. If this proportion is exceeded, the oldest Board member is deemed to have automatically resigned.

### Article 11 – Director representing the staff

The Board of Directors includes one director representing the staff and elected by the staff of the Company or by the staff of its direct or indirect subsidiaries whose registered offices are located in France, except in the event of absence of candidacy. The status and procedures for the election of the director elected by the staff are set forth in Articles L. 225-27 *et seq.* of the French Commercial Code.

The term of office of the director representing the staff is of three years. However its office shall expire at the end of the ordinary general meeting called to rule on the financial statements of the past financial year and held in the year during which its term of office expires.

He may not be elected to more than four consecutive terms.

In the event that the seat of the director representing the staff falls vacant as a result of his or her death, resignation, removal, termination of the employment contract or any other reasons, his or her successor shall take office immediately. If there is no successor able to carry out the director's duties, a new election shall be held within three months.

The election of the director representing the staff involves a majority vote in two rounds, in accordance with the following procedures pursuant to Article L. 225-28 of the French Commercial Code and to this Article.

The list of voters, indicating their respective surnames, given names, dates and places of birth and domiciles, are prepared by the Chief Executive Officer, displayed and circulated by any other means as determined by the Chief Executive Officer at least five weeks prior to the date of the first round of the election. Within fifteen days after the lists are displayed, any voter may submit a request to the Chief Executive Officer either that another voter who was omitted be registered, or that another voter who was erroneously registered be removed from the list. Within the same time period, any person whose name was omitted may also submit a request for registration.

Applications must be submitted no later than three weeks and one day before the planned date for the first round of the election.

Each application must specify not only the name of the candidate, but also the name of any successor. The candidate and its successor must be of different sex.

The Chief Executive Officer closes, displays and circulates the list of candidates by any other means he determines at least three weeks prior to the planned date for the first round of the election.

Each voting office or offices shall consist of a minimum of three members designated by the representative labour organizations, or, failing that, the two oldest voters and the youngest voter.

Any voter may vote either at the voting offices made available for this purpose, or by correspondence, or by any other means determined by the Chief Executive Officer.

Results are recorded in minutes which shall be displayed no later than three days after the close of the election. The Company shall keep a copy of the minutes in its records.

In the event that a second round is necessary, it shall be organized within one week and no later than one month after the first round.

The organisation of elections and their requirements are determined by the Chief Executive Officer and shall be displayed at least five weeks prior to the date of the first round of the election.

The first round of the election for the renewal of the term of the director representing the staff must take place at the latest two weeks prior to the end of its term of office.

In the event that elections are also organised in the Company's direct or indirect subsidiaries, whose registered office are located in France, the Chief Executive Officer shall contact such subsidiaries' legal representatives for this purpose.

The director representing the staff shall not be taken into account to determine the maximum number of directors as set forth in Article L. 225-17 of the French Commercial Code.

### Article 12 – Powers of the Board of Directors

The Board of Directors determines the Company's strategy and ensures its implementation. Subject to powers expressly reserved to shareholder meetings, and within the limits of the corporate objects, the Board of Directors may deal with any issue concerning the smooth operation of the Company and will take decisions on matters concerning the Company.

The Board of Directors conducts all checks and inspections it deems necessary. Each director will receive all information necessary for the completion of his/her duties and may obtain any and all documents he/she considers to be of use. Any such request will be sent to the Chairman of the Board of Directors.

### Article 13 – Organisation of the Board of Directors

The Board elects a natural person as Chairman from among its members.

The Chairman of the Board of Directors organises and directs the work of the Board and reports on this to the General Meeting. The Chairman ensures the proper functioning of the Company's management bodies and more particularly ensures that directors are able to complete their duties.

The Board may also appoint one or more natural persons as Deputy Chairmen. The duties of the Chairman or Deputy Chairmen may be withdrawn at any time by the Board. The Chairman's duties automatically end with the General Meeting deliberating on the accounts for the year in which the Chairman reaches 70 years of age.

The Board also appoints a person to the position of secretary, who need not be a Board member.

The Board may decide to set up committees responsible for investigating issues referred to them by either the Board or the Chairman. The Board decides on the make-up and powers of committees, which carry out their work under its responsibility.

Directors receive attendance fees as set by the General Meeting. The amount is maintained until a new decision is made.

The Board shares the attendance fees among its members as it sees fit. More particularly it may decide to allocate more to director members of the committees described above than to other directors.

### Article 14 – Meetings of the Board of Directors

The Board will meet as often as required in the interests of the Company. The meeting is convened by any means even orally, and at short notice in the case of urgency, by the Chairman, a Deputy Chairman or by one-third of its members, and is held either at the registered office or at any other place named in the notice of meeting.

In order for decisions to be valid, at least one half of Board members must be present, either in person or, where allowed by the law, by video-conference or other telecommunications method set down by decree.

Decisions are passed by a majority vote of members present or represented. In the case of a split vote, the Chairman will have the casting vote.

### Article 15 – General Management

The general management of the Company is carried out, under his/her responsibility, by either the Chairman or the Board of Directors, or by any other natural person appointed by the Board of Directors with the title Chief Executive Officer (*Directeur général*.)

The Board choses between the two methods of general management described above subject to the quorum and majority conditions set down by Article 13 of these Articles of Association. Shareholders and third parties are informed of this choice in accordance with the conditions set down in the regulations.

The chosen method will continue to apply until a contrary decision is made under the same conditions.

Any change made to the general management of the Company will not lead to an amendment of these Articles of Association.

A Board meeting is held in order to deliberate on any change to be made to the general management of the Company at the initiative of either the Chairman, the Chief Executive Officer or by one-third of Board members.

Where the Chairman is responsible for the general management of the Company, the provisions of the law, regulations or these Articles of Association applicable to the Chief Executive Officer will also apply to the Chairman, who will take the title of Chairman and Chief Executive Officer.

If the Board decides to separate the duties of Chairman of the Board of Directors and the Company's general management, the Board will appoint a Chief Executive Officer, set the length of the term of office and the extent of his/her powers. Board decisions limiting the powers of the Chief Executive Officer are not enforceable against third parties.

The Chief Executive Officer's duties will automatically end with the General Meeting deliberating on the accounts for the financial year in which he/she reaches seventy years of age. The Chief Executive Officer may be re-elected, subject to the age limit set out above.

The Chief Executive Officer may be removed from office at any time by the Board of Directors.

The Chief Executive Officer has the broadest powers to act in all circumstances in the name of the Company. He/she exercises these powers within the limits of the Company's objects and subject to those powers expressly reserved by law to General Meetings of shareholders and to the Board of Directors. He/she represents the Company in its dealings with third parties.

The Chief Executive Officer may ask the Chairman to convene a Board meeting for a specific agenda.

If the Chief Executive Officer is not a director, he/she may attend Board meetings in an advisory capacity.

On the proposal of the Chief Executive Officer, the Board may appoint from one to a maximum of five natural persons who will assist the Chief Executive Officer and have the title of Deputy Chief Executive Officer. The Board will determine the extent and period over which their powers may be exercised, it being however understood that, with regard to third parties, the Deputy Chief Executive Officer(s) will have the same powers as the Chief Executive Officer.

The Deputy Chief Executive Officer(s) may be removed from office at any time by the Board of Directors acting on the proposal of the Chief Executive Officer.

In the event that the Chief Executive Officer's duties are terminated or he/she is unable to fulfil his/her duties, the Deputy Chief Executive Officer(s) will remain in office and retain their powers until the appointment of a new Chief Executive Officer, unless otherwise decided by the Board of Directors. The duties of the Deputy Chief Executive Officer(s) will automatically end with the General Meeting deliberating on the accounts for the financial year in which they reach 70 years of age.

The Chief Executive Officer and, as need be, the Deputy Chief Executive Officer(s), may be authorised to delegate their powers within the limit of applicable laws or regulations.

Fixed or variable remuneration, or fixed and variable remuneration, may be allocated by the Board of Directors to the Chairman, the Chief Executive Officer, to any Deputy Chief Executive Officer and, more generally, to any person charged with duties or vested with any delegations or mandates. This remuneration will be reported as operating costs.

### Article 16 – Attendance register and minutes of Board meetings

An attendance register is held at the registered office which is signed by directors attending Board meetings and records those attending by way of video-conference or other telecommunication methods.

Deliberations of the Board are recorded in minutes signed by the Chairman of the meeting and a director, held in a special numbered and initialled register kept at the registered office, in accordance with the regulations.

### Article 17 – Advisors

On the Chairman's proposal, the Board of Directors may appoint one or more advisors.

Advisors are invited to attend Board meetings in a consultative capacity.

They are appointed for a given period by the Board of Directors and may be removed at any time by the Board.

They may receive remuneration set by the Board of Directors as consideration for services rendered.

## SECTION IV – AUDITING OF THE COMPANY

### Article 18 – Statutory auditors

The ordinary general meeting appoints one or more incumbent statutory auditors and one or more substitute statutory auditors meeting the conditions set down by the law and regulations. They carry out their duties in accordance with the law.

Statutory auditors are appointed for six financial years to end with the General Meeting convened to deliberate on the accounts for the sixth financial year.

## SECTION V – GENERAL MEETINGS

### Article 19 – Meetings – Composition

General Meetings are convened and deliberate in accordance with conditions set down by law.

Meetings are held either at the registered office or at any other place specified in the notice of meeting.

Any shareholder, regardless of the number of shares held, may attend General Meetings in accordance with the conditions set down by the law and these Articles of Association, on presentation of proof of identity and of the registration of shares in its name or the name of an intermediary registered on its behalf by midnight Paris time on the day falling two business days before the General Meeting:

- for holders of registered shares, in the registered share account held by the Company;
- for holders of bearer shares, in the bearer share account held by the authorised intermediary, the registration or posting of the shares being proved by a participation certificate issued by the latter, if need be by electronic means.

A shareholder not attending a General Meeting either personally or through a representative, may choose between the two following possibilities:

- remote voting; or,
- sending a blank proxy form to the Company without specifying a proxy's name, in accordance with the conditions set down by applicable law and regulations.

If the shareholder has requested an admission card or a shareholding certificate or, as appropriate, decided on remote voting or sent a proxy, the shareholder no longer has the right to choose to participate in the General Meeting in any other manner. The shareholder may however transfer all or some of his/her shares at any time.

If the transfer of ownership takes place before midnight Paris time on the day falling two business days before the General Meeting, the Company will invalidate or modify, as appropriate, the remote vote, the proxy, the admission card or shareholding certificate. For this purpose, the authorised intermediary account holder notifies the Company or its representative of the transfer of ownership and provides the necessary information.

Any transfer made after midnight Paris time of the second business day preceding the General Meeting is neither notified by the authorised intermediary nor taken into account by the Company.

Shareholders not having their tax domicile in France may be registered and be represented at General Meetings by any intermediary registered on their behalf holding a general securities management mandate, provided that the intermediary has declared its status as an intermediary holding securities on behalf of a third party to the Company or to the financial intermediary holding the account at the time of opening the account, in accordance with the law and regulations.

In accordance with a Board of Directors' decision set out in the notice of meeting, shareholders may participate in General Meetings by video-conference or any other electronic means of communication, including the Internet, in accordance with applicable law and regulations. The Board of Directors determines the rules for participation and postal votes, by ensuring that the procedures and technologies used have the technical characteristics allowing for the continuous and simultaneous retransmission of debates and votes cast.

Shareholders who use the form posted on-line by the meeting convenor, for this purpose and within the required time limits, are treated as present or represented shareholders. The on-line form may be completed and signed on the site by any method determined by the Board of Directors which satisfies the conditions set down in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code (*Code civil*), which may *inter alia* include a user identification and a password.

Any proxy or vote cast before the meeting by electronic means, together with the acknowledgement of receipt, shall be deemed non-revocable and enforceable on all; in the case of a transfer of ownership occurring before midnight Paris time on the day falling two business days before the meeting, the Company will, as appropriate, invalidate or modify the proxy or vote cast before this date and time.

General Meetings are chaired by the Chairman of the Board of Directors or, in his/her absence, by the Deputy Chairman or by a director especially delegated for this purpose by the Board. Failing this, the General Meeting will elect its own Chairman.

Minutes are prepared of General Meetings and copies are certified and issued in accordance with the law.

## SECTION VI – ACCOUNTS

### Article 20 – Financial year

The financial year starts on 1 January and ends on 31 December of each year.

### Article 21 – Appropriation and distribution of profits

Net revenue for the financial year, after deductions for overheads and social charges, the amortisation of company assets and provisions for commercial and industrial risks, constitute net profits.

The following sums are deducted in decreasing order of importance from these profits, which may be reduced by previous losses:

1. 5% to the legal reserve until this reserve reaches one-tenth of share capital;
2. the sum set by the General Meeting to constitute reserves which it controls;
3. sums that the General Meeting decides to appropriate to retained earnings.

The remainder is paid to shareholders as dividends.

The Board of Directors may decide to pay interim dividends.

For all or part of dividends to be distributed or interim dividends, the General Meeting may grant shareholders a choice between payment in cash or payment in shares in accordance with the conditions set down by applicable regulations. For all or part of the dividends or interim dividends, reserves or premiums to be distributed, or in the case of a share capital decrease, the General Meeting may also decide that the distribution of such dividends, reserves, premiums or share capital decrease will be made in kind by delivery of Company assets.

## SECTION VII – WINDING UP – LIQUIDATION

### Article 22

For the purpose of winding up the Company, one or more liquidators are appointed by a General Meeting, subject to the quorum and majority conditions set down for ordinary general meetings.

The liquidator represents the Company. The liquidator has the broadest powers to dispose of Company assets, even by amicable arrangement. The liquidator is authorised to pay creditors and distribute the remaining balance.

The General Meeting may authorise the liquidator to continue on-going business or start new business for the purpose of the liquidation.

Net assets remaining after reimbursement of the shares' nominal value are shared among shareholders pro rata to their shareholdings.

## SECTION VIII – DISPUTES

### Article 23

Any disputes arising during the Company's term or its liquidation either between shareholders and the Company, or among the shareholders themselves, concerning the Company's business, will be referred to the courts with jurisdiction in accordance with general law.

# 8.2 RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

The totality of these Rules of Procedure of the Board of Directors, including its Appendix I Company Directors' Charter and Appendix II Code of Conduct for Trading, are available on the website of the Company http://le-groupe.amundi.com/Shareholders/Our-group

In its meeting on 12 February 2019, the Board of Directors of Amundi (the "Company")(1) adopted these Rules of Procedure.



## PREAMBLE

These Rules of Procedure, comprising the Rules of Procedure together with its two Annexes, the Directors' Charter and the Market Ethics Charter, apply to all the members of the Board of Directors.

Their purpose is to set out or supplement certain regulatory and statutory provisions regarding the organisation and functioning of the Board of Directors and its committees.

These Rules of Procedure are solely for internal use and third parties may not enforce them against the Company.

The Company is a company with a Board of Directors where the functions of the Chairman and the Chief Executive Officer are separate. Under the provisions of the French Commercial Code (*Code de commerce*) the Chairman and the Chief Executive Officer are Company Officers.

## ARTICLE 1 – POWERS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors shall direct and organise the work of the Board. He shall ensure that the Board and the committees set up within the Board function properly. He shall convene the Board of Directors and set the agenda for its meetings.

## ARTICLE 2 – POWERS OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

### 2.1 Powers of the Board of Directors

The Board of Directors shall exercise the powers that are assigned to it by law and by the Company's Articles of Association.

To this end, in particular:

- the Board shall approve the Company's financial statements (balance sheet, income statement, notes to the financial statements), the management report outlining the situation of the Company during the past financial year or the current financial year, and its foreseeable development, as well as the forecast documents. It shall approve the Amundi Group's (the "Group") consolidated financial statements and shall review the interim financial statements;
- the Board ensures the quality of the information provided to the shareholders and markets;
- the Board is informed of the financial position, cash flow position and commitments of the Company;
- the Board is informed of market developments, the competitive environment and the key issues facing the Company including in the area of social and environmental responsibility;
- it regularly reviews, in connection with the strategy it has defined, the opportunities and risks such as financial, legal, operational, social and environmental risks as well as the measures taken as a result. To this end, the Board of Directors receives all the information necessary to fulfil its remit, in particular from the executive corporate officers;
- it also ensures that the executive corporate officers implement a policy of non-discrimination and diversity, particularly in terms of balanced representation of women and men in management bodies;
- the Board shall decide to convene the Company's General Meetings. It shall define the agenda and the text of the draft resolutions;
- the Board shall perform the following tasks:
  - elect and dismiss the Chairman of the Board of Directors,
  - upon the proposal of the Chairman, appoint and dismiss the Chief Executive Officer,
  - provisionally appoint Directors in the event of a vacancy, due to death or resignation, of one or more seats on the Board,
  - upon the proposal of the Chief Executive Officer, appoint and dismiss the Deputy Chief Executive Officers;
- the Board shall determine the remuneration of the Company Officers and the distribution of their attendance fees;
- the Board shall authorise in advance any agreement covered by Article L. 225-38 *et seq.* of the French Commercial Code and, in particular, any agreement entered into between the Company and one of its Company Officers.

  In addition, the Board shall:
  - determine, upon the proposal of the Chairman and the Chief Executive Officer, the strategic orientation of the Group,
  - approve the transactions referred to in Article 2.2 herein,
  - decide on or authorise the issuance of Amundi bonds,
  - confer upon the Chief Executive Officer the necessary authorisations for implementing the decisions listed above,
  - be regularly informed, by the General Management, of the Group's risk situation and the systems for controlling these risks in accordance with the Decree of 3 November 2014 on the internal control of companies in the banking, payment services and investment services sector that are subject to the control of the French Prudential Control and Resolution Authority. In addition, it shall set, in accordance with this same Decree, the various commitment and risk limits for the Group,

(1) *In these Rules of Procedure Amundi is referred to as the "Company" and Amundi together with all its direct and indirect subsidiaries are collectively referred to as the "Group".*

- define the criteria enabling the independence of the Directors to be assessed,
- be informed by the Chief Executive Officer, in advance if possible, of changes to the Group's management and organisation structures,
- hear the reports by the Head of Permanent Controls and Head of Compliance,
- authorise, where applicable, the mobility of the Head of Risk Management,
- carry out any controls and checks that it deems expedient;
- assess its ability to meet shareholders' expectations by periodically reviewing its composition, organisation and operations.

### 2.2 Powers of the Chief Executive Officer

The Chief Executive Officer shall be invested with the most extensive powers to act in all circumstances on behalf of the Company, which he shall represent vis-à-vis third parties.

He must, however, obtain the prior agreement of the Board of Directors for the following transactions:

- the establishment, acquisition or disposal of any subsidiaries and investments in France or abroad where the overall investment is over €100 million;
- any other investment or divestiture of any kind whatsoever of over €100 million.

If the urgency of the matter makes it impossible for the Board to meet to deliberate on any transaction meeting the aforementioned conditions, the Chief Executive Officer shall make every effort to gather the opinions of all the Directors and, at the very least, the members of the Strategic Committee provided for in Article 4 herein, before making a decision. Where this is not possible the Chief Executive Officer may, in agreement with the Chairman, make any decision that is in the interests of the Company in the areas listed above. He shall report thereon at the next Board meeting.

Any significant transaction outside the announced strategy of the Company is subject to prior approval by the Board of Directors.

## ARTICLE 3 – FUNCTIONING OF THE BOARD OF DIRECTORS

### 3.1 Meetings

The Board of Directors shall meet as often as the interests of the Company and statutory and regulatory provisions require, and at least four times per year.

### 3.2 Convening meetings

Meetings of the Board of Directors shall be convened in accordance with the law and the Company's Articles of Association.

The Board of Directors shall meet upon being convened by its Chairman or its Deputy Chairman or by one third of its members. The notice convening the meeting shall specify the place of the meeting and the agenda, or the main purpose of the meeting. Such notice must be sent in writing (by post or email). In the event of a justified emergency or necessity, or with the agreement of all the Directors, it may be sent at short notice, provided the Directors are able to take part in the meeting by means of videoconferences or other telecommunications links (including conference calls).

In any case, the Board of Directors may always validly deliberate if all its members are present or represented.

### 3.3 Video conferences and telephone conferences

Any Director who is unable to be physically present at a Board of Directors' meeting may inform the Chairman of his intention to participate in it by means of a videoconference or other telecommunications link. The videoconferences or other telecommunications resources used must meet technical specifications that guarantee the effective participation of all the parties in the Board of Directors' meeting. They must enable the identification of the Director participating in the meeting via a videoconference or other telecommunications link by the other members, transmit at least his voice, and ensure the continuous and simultaneous broadcasting of the deliberations.

A Director who is participating in a meeting via a videoconference or other telecommunications link may represent another Director on condition that the Chairman of the Board of Directors is, on the day of the meeting, in possession of the authorisation (*procuration*) of the Director thus represented.

Directors who are participating in a Board of Directors' meeting via a videoconference or other telecommunications link shall be deemed to be present for the purposes of counting the quorum and the majority.

In the event of the malfunctioning of the videoconferencing or telecommunications system, which shall be recorded by the Chairman of the Board of Directors, the Board of Directors may validly deliberate and/or continue with just those members who are physically present, provided the conditions for a quorum are met.

The attendance register and the minutes must mention the name of the Directors who are present and deemed to be present within the meaning of Article L. 225-37 of the French Commercial Code.

In accordance with the law, participation via videoconferencing or other telecommunications links cannot be accepted for decisions on:

- preparing the annual financial statements and the management report;
- preparing the consolidated financial statements and the Group management report, if this is not included in the annual report.

The aforementioned exclusions only relate to including remote participants in the quorum and the majority, not to the possibility of the Directors concerned participating in the meeting and giving their opinion, in an advisory capacity, on the respective decisions.

The Chairman may also reject participation via videoconferencing or other telecommunications links for technical reasons, where these technical reasons would prevent the holding of the Board of Directors' meeting via a videoconference or other telecommunications link from complying with the applicable statutory and regulatory conditions.

### 3.4 Information for the Directors

For each Board of Directors' meeting the text of the talks and presentations on the agenda for a session shall be sent to the Directors prior to that session.

### 3.5 Minutes of Board of Directors' meetings

The deliberations by the Board of Directors shall be recorded in minutes, prepared in one typed copy, numbered according to the date of the proceedings to which they relate and paginated consecutively. These minutes shall be recorded in a special register, signed by the Chairman of the session and at least one Director (they shall be signed by two Directors if the Chairman of the session is unable to sign them) and kept in accordance with regulatory provisions.

The minutes of each session shall contain:

- the name of the directors that were present – whether physically or via a videoconference or other telecommunications link – represented, excused or absent, as well as the name of any other person who attended either the entire meeting or part of it;
- an account of the Board of Directors' discussions and deliberations, and the questions raised and reservations expressed by the participating members; and
- if applicable, the occurrence of any technical incident relating to a videoconference or conference call, where this disrupted the smooth running of the session.

Copies or extracts of those minutes that are to be produced in court, or formal deliberations, shall be validly certified as being true to the original by the Chairman, the Chief Executive Officer or a Deputy Chief Executive Officer, any Director to whom the functions of the Chairman have been temporarily delegated, the Secretary of the Board or a proxyholder who has been duly authorised for this purpose.

## ARTICLE 4 – BOARD COMMITTEES

The Company's Board of Directors has set up an Audit Committee, a Risk Committee, a Strategic and Corporate Social Responsibility (CSR) Committee, a Remuneration Committee and an Appointment Committee.

### 4.1 Composition, chairmanship and meetings

Two thirds of the Audit Committee shall be composed of independent directors and shall not include any Company Officers. The Remuneration Committee and the Appointments Committee shall be predominantly composed of independent directors and shall be chaired by an independent Director.

The Chairman of each of these committees shall convene the committee and determine the agenda or the main purpose of the meetings, taking particular account of its members' requests, whilst respecting the responsibilities of the said committee as set out below. The committee members must receive the information they need to give an informed opinion sufficiently in advance of the meeting.

Each committee member may ask the Chairman of the relevant committee to add one or more items to the agenda, whilst respecting the responsibilities of the said committee.

The Chairman of the committee shall lead the discussions and shall report the recommendations made by the committee to the Board of Directors.

The Board of Directors may refer to each committee any specific request falling within its area of responsibilities, and may ask the Chairman of each committee to convene a meeting with a specific agenda.

In order for deliberations to be valid, at least half of the members of a committee must be present. The opinions and recommendations that a committee gives to the Board of Directors shall be adopted upon a majority vote by those of its members that are present or represented.

Minutes must be taken for each Committee meeting and sent to the members of the said committee. The minutes must record the opinion of every member of the committee, if the latter so requests.

Each committee may, on an *ad hoc* basis, seek the opinion of any person, including third parties, that is likely to inform its discussions.

### 4.2 Responsibilities of the Audit Committee

The Audit Committee, reporting to the Board of Directors, shall have the following remits:

- reviewing the draft company and Consolidated Financial Statements, which must be submitted to the Board of Directors, particularly with a view to checking the conditions under which they were prepared, and ensuring the relevance and consistency of the accounting principles and methods applied;
- reviewing the selection of the frame of reference for the consolidation of the Financial Statements and the scope of the consolidation of the Group companies;
- studying changes and adjustments to the accounting principles and rules used to prepare these Financial Statements, and preventing any possible infringement of these rules;
- reviewing, where necessary, any agreements governed by Article L. 225-38 of the French Commercial Code that fall within its purview; and
- monitoring the Statutory Audit of the Company and Consolidated Financial Statements by the statutory auditors. it shall ensure the independence of the latter and may express an opinion on proposals for the appointment or re-appointment of the Company's statutory auditors;
- authorising the provision by the statutory auditors of services other than the certification of the Financial Statements.

### 4.3 Responsibilities of the Risk Committee

The Risk Committee, reporting to the Board of Directors, shall have the following remits (in accordance with, in particular, Article L. 511-92 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*):

- monitoring the quality of the procedures that ensure the compliance of the group's activities with french and foreign laws and regulations;
- reviewing the principles of the risk policy and the conditions for implementing it, and advising the Board of Directors on risk strategies and risk appetite;
- assisting it in its role of supervising the General Management and the head of Risk Management;
- reviewing the compatibility of the remuneration policy and practices with the economic and prudential situation;
- defining the limits of the group's equity capital funding (seed money and backing) and monitoring these limits;
- reviewing the internal audit programme and the annual report on the internal control as well as the appropriateness of the internal control systems and procedures for the activities carried out and the risks incurred;
- as part of monitoring the effectiveness of the internal control and Risk Management systems and, where applicable, the internal audit concerning the procedures relating to the preparation and processing of financial and other accounting and extra-financial information, the committee hears those responsible for the internal audit and risk management and gives its opinion on the organisation of their services. It is informed of the internal audit programme and is the recipient of internal audit reports or a periodic summary of these reports;
- more broadly, analysing any subject that may represent a risk factor for the Company, such as to call into question the durability and/or profitability of certain activities or likely to generate situations prejudicial to the Company by exposing it to a too high financial or reputational risk.

### 4.4 Responsibilities of the Remuneration Committee

The Remuneration Committee, reporting to the Board of Directors, shall have the remits of annually reviewing and drawing up proposals and opinions, which it shall notify to the Board (in accordance with, in particular, Article L. 511-102 of the French Monetary and Financial Code), on:

- the remuneration paid to the Company's Chairman of the Board of Directors and Chief Executive Officer, whilst taking account of any statutory and regulatory provisions that apply to them;
- upon the proposal of the Chief Executive Officer, the remuneration of the Company's Deputy Chief Executive Officer(s);
- the principles of the remuneration policy for employees who manage ucits or alternative investment funds, and of categories of staff that include risk takers, individuals that exercise a control function, as well as any equivalent employee in terms of income bracket;
- the remuneration policy, and in particular the variable remuneration policy, for the Group and on its monitoring in respect of the persons concerned in accordance with the applicable regulations, on share subscription or purchase plans, and plans to distribute shares free of charge, if applicable, which are to be submitted to the General Meeting of Shareholders, as well as on the principles and procedures for implementing long-term profit-sharing and bonus plans; and
- the amount of the Directors' attendance fees envelope, which is to be submitted to the General Meeting of Shareholders, the distribution of this envelope among the members of the Board of Directors and the remuneration of the non-voting members.

In addition, it shall be responsible for:

- monitoring the implementation of the remuneration policy in order to ensure compliance with policies and regulatory provisions, and reviewing, to this end, the opinions and recommendations of the risk division and permanent control division in relation to this policy; and
- directly controlling the remuneration of the head of the Risk Management and, where necessary, the head of Compliance.

### 4.5 Responsibilities of the Appointments Committee

The Appointments Committee, reporting to the Board of Directors, shall have the following remits (in accordance with, in particular, Article L. 511-98 of the French Monetary and Financial Code):

- identifying and recommending to the Board of Directors candidates that are suitable for appointment as directors and that have been proposed by the shareholders, evaluating, on a yearly basis, the criteria for determining the independence of those directors who are classified as independent;
- evaluating, on an annual basis, the balance and the diversity of the knowledge, skills and experience that the Board members possess individually and collectively, as well as the structure, the size, the composition and the effectiveness of the tasks of the board, and submitting any appropriate recommendations to it;
- setting an objective that is to be attained so there will be a balanced representation of male and female employees, and devise a policy aimed at achieving this objective;
- periodically reviewing the policies for selecting and appointing the members of General Management and the head of Risk Management, and making recommendations in this regard; and
- ensuring that the Board is not dominated by one person or a small group of individuals in a way that is harmful to the interests of the institution.

### 4.6 Responsibilities of the Strategic and CSR Committee

The remit of the Strategic and CSR Committee is to deepen the strategic thinking of the Group across its various business lines, both in France and abroad. To this end, the Strategic and CSR Committee will first examine the draft transactions referred to in Article 2.2 and formulate an opinion on the said drafts.

The work and opinions of the Strategic and CSR Committee will be reported to the Board of Directors by the Chairman of the Committee or by a member of the Committee appointed by the latter.

# 8.3 INFORMATION REGARDING THE PARENT COMPANY

## INVESTMENTS MADE BY AMUNDI DURING THE PAST THREE YEARS

### Main investments

| Date | Investment | Financing |
|---|---|---|
| 10/02/2015 | Acquisition of Bawag PSK invest (later renamed Amundi Austria).<br>Bawag PSK Invest became a subsidiary of Amundi. | The acquisition was financed by its own funds generated and retained during the year. |
| 31/08/2016 | Acquisition of Kleinwort Benson Investors (renamed KBI Global Investors the same day).<br>KBI Global Investors became a subsidiary of Amundi. | The acquisition was financed by its own funds generated and retained during the year. |
| 03/07/2017 | Acquisition of Pioneer Investments from UniCredit for a total cash amount of €3,545 billion.<br>Pioneer Investments became a fully-owned subsidiary of Amundi. | The acquisition was financed in the amount of €1.5 billion with excess capital, in the amount of €1.4 billion by a capital increase, and in the amount of €0.6 billion, from the issuance of senior and subordinated debt with Crédit Agricole S.A. |

## NEW PRODUCTS AND SERVICES

New products and services are regularly offered to customers by the Group's entities. Information is available on the Group's websites, particularly in the form of the press releases available on the www.amundi.com website.

## MATERIAL CONTRACTS

No contracts containing a significant obligation or commitment for Amundi had been signed by any of its entities as of the filing date of this Registration Document.

## SIGNIFICANT CHANGES

The 2018 financial statements were approved by the Board of Directors of 12 February 2019. No significant change has occurred in the financial or business condition of the Company and the Amundi Group since this date.

## PUBLICLY AVAILABLE DOCUMENTS

This document is available on the Group website le-groupe.amundi.com/actionnaires/informations-financières and on the website of the *Autorité des marchés financiers* www.amf-france.org.

All regulatory information as defined by the AMF (under Title II of Book II of the AMF General Regulation) is available on the Company's website. Amundi's Articles of Association are included in full in this document.

## AGM OF 16 MAY 2019

The agenda as well as the draft resolutions presented to the ordinary AGM of 16 May 2019 are available online at: shareholders.amundi.com.

## COMPANY NAME

The name of the Company is "Amundi", effective as of the date of Initial Public Offering of the Company's shares on Euronext Paris, 12 November 2015. It was previously named "Amundi Group".

## DATE, DURATION, PLACE OF REGISTRATION AND REGISTRATION NUMBER

The Company was registered on 6 November 1978 in the Paris Trade and Companies Register under number 314,222,902.

The Company's duration is 99 years from the date of its registration with the Trade and Companies Register, except in the event of extension or early dissolution.

Amundi is a credit institution authorised by the CECEI (now the ACPR) since 29 September 1997 and is subject to banking regulations.

## REGISTERED OFFICE AND LEGAL FORM

The Company's registered office is located at 91-93 boulevard Pasteur, 75015 Paris. The telephone number for the registered office is +33 (0) 1 76 33 30 30.

The Company is a *société anonyme* (public limited company) with a Board of Directors, governed by French law, including Book II of the French Commercial Code.

# 8.4 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

*(General Meeting held to approve the financial statements for the year ended December 31, 2018)*

*This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

To the Annual General Meeting of Amundi,

In our capacity as Statutory Auditors of Amundi, we hereby report to you on related-party agreements and commitments.

It is our responsibility to inform you, based on the information provided to us, of the essential characteristics and terms, and the reasons justifying the interest for the Company of agreements and commitments of which we have been notified or that we may have identified as part of our engagement, without commenting on their usefulness or merit or ascertaining the existence of any other such agreements or commitments. It is your responsibility, pursuant to the provisions or Article R.225-31 of the French Commercial Code, to assess the benefits resulting from these agreements and commitments prior to their approval.

Furthermore, it is also our responsibility to provide you with the information required by Article R.225-31 of the French Commercial Code relating to the performance during the year of agreements and commitments already approved by the Annual General Meeting.

We performed the work that we deemed necessary in accordance with the professional standards applicable in France to such engagements. Our work consisted in verifying that the information provided to us is consistent with the underlying documents.

## AGREEMENTS AND COMMITMENTS AUTHORISED DURING THE YEAR

Pursuant to Article 225-38 of the French Commercial Code, we were informed that no agreements or commitments authorized and concluded during the preceding year was to be submit for approval to the Annual General Meeting.

### AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE ANNUAL GENERAL MEETING

#### *Agreements and commitments approved in previous years*

Pursuant to Article 225-30 of the French Commercial Code, we were informed that the following agreements and commitments, approved by the Annual General Meeting in previous years, remained in force during the year ended December 31, 2018.

#### *1. With Crédit Agricole S.A.*

PERSON CONCERNED

- Mr. Xavier Musca, a director of Amundi and Deputy Chief Executive Officer of Crédit Agricole S.A.

NATURE AND PURPOSE

As its meeting of 17 June 2015, the Board of Directors authorised the partnership agreement entered into between Amundi, Société Générale and Crédit Agricole S.A. which renewed all of the industrial agreements entered into with the Société Générale and Crédit Agricole S.A. groups and the amendments to the subsequent agreements. This agreement was entered into for a period of five years.

TERMS AND CONDITIONS

These transactions generated an overall net amount of €307 million paid by Amundi Group to Crédit Agricole Group.

### 2. *With Crédit Agricole S.A*

PERSONS CONCERNED

- Mr. Xavier Musca, a director of Amundi and Deputy Chief Executive Officer of Crédit Agricole S.A.
- Mr. Yves Perrier, Director and Chief Executive Officer of Amundi and Deputy Chief Executive Officer of Crédit Agricole S.A

NATURE AND OBJECT

As its meeting of 15 September 2015, the Board of Directors authorised a charge-back agreement signed by Amundi and Crédit Agricole S.A., setting at 80% the charge-backs made to Amundi Group for the fixed and variable compensation and related expenses of Mr. Yves Perrier.

It is specified that the amounts due pursuant to the supplementary pension plans will not be charged back, even in the event of the termination of Mr. Yves Perrier's employment contract.

TERMS AND CONDITION

As such, during the year ended December 31, 2018, the expenses relating to this charge-back amounted to €3,28 million.

Neuilly-sur-Seine and Paris-La Défense, 22 March 2019

The Statutory Auditors

| PricewaterhouseCoopers Audit | | ERNST & YOUNG et Autres | |
|---|---|---|---|
| Laurent Tavernier | Anik Chaumartin | Olivier Durand | Claire Rochas |

# 8.5 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Mr Yves Perrier.

## 8.5.1 Responsibility statement

I declare, after taking all reasonable measures for this purpose and to the best of my knowledge that the information contained in this Registration Document is in accordance with the facts and that it contains no omission likely to affect its import.

I declare that, to my knowledge, the financial statements were prepared in accordance with the applicable accounting standards and provide a true and fair view of the financial position and results of the Company and of all entities included in the consolidated group, and that the management report (included in Chapter 4 of the present Registration Document) provides a true and fair view of the business trends, results and financial position of the Company and of all entities included in the consolidated group, and describes the main risks and uncertainties that they face.

I have obtained a letter from the statutory auditors, PricewaterhouseCoopers Audit and ERNST & YOUNG et Autres, upon completion of their work, in which they state that they have verified the information relating to the financial position and financial statements provided in this document and read the document in its entirety.

8 April 2019

Yves Perrier

Chief Executive Officer of the Company

## 8.5.2 Statutory auditors

### STATUTORY AUDITORS

***ERNST & YOUNG et Autres***

Represented by Claire Rochas and Olivier Durand

1/2 place des Saisons, 92400 Courbevoie – Paris la Défense 1

ERNST & YOUNG et Autres is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles (the Regional Association of Auditors of Versailles).

ERNST & YOUNG et Autres was renewed as Statutory Auditor by decision of the general shareholder's meeting of the Company of 28 April 2015 for a term of six years to end at the close of the AGM to be convened to approve the financial statements for the year ending 31 December 2020.

***PricewaterhouseCoopers Audit***

Represented by Laurent Tavernier and Anik Chaumartin

63, rue Villiers, 92200 Neuilly-sur-Seine

PRICEWATERHOUSECOOPERS Audit is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles (the Regional Association of Auditors of Versailles).

PRICEWATERHOUSECOOPERS Audit was renewed as Statutory Auditor by decision of the general shareholder's meeting of the Company of 25 April 2013 for a term of six years to end at the close of the AGM to be convened to approve the financial statements for the year ending 31 December 2018.

### ALTERNATE AUDITORS

***PICARLE et Associés***

Alternate member to ERNST & YOUNG et Autres

1/2 place des Saisons, 92400 Courbevoie – Paris la Défense 1

PICARLE et Associés is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles (the Regional Association of Auditors of Versailles).

PICARLE et Associés was renewed as Alternate Statutory Auditor by decision of the general shareholder's meeting of the Company of 28 April 2015 for a term of six years to end at the close of the AGM to be convened to approve the financial statements for the year ending 31 December 2020.

***Étienne BORIS***

Alternate member to PricewaterhouseCoopers Audit

63, rue Villiers, 92200 Neuilly-sur-Seine Cedex

Étienne Boris is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles (the Regional Association of Auditors of Versailles).

Étienne Boris was renewed as Alternate Statutory Auditor by decision of the general shareholder's meeting of the Company of 25 April 2013 for a term of six years to end at the close of the AGM to be convened to approve the financial statements for the year ending 31 December 2018.

# 8.6 GLOSSARY

### Account administration

Account administration or account keeping consists of entering financial instruments into an account in the name of their holder, *i.e.* recognising the holder's rights over those financial instruments, and keeping the corresponding assets, according to the particular arrangements for each financial instrument.

### Alternative asset management

Investment strategies intended to achieve returns showing low correlation with market indexes. Strategies cover various investment processes, risks and returns targets, and can be used to meet a wide range of objectives. Investors access these strategies either indirectly (via "funds of hedge funds") or directly (via "hedge funds").

### Alternative investment funds (AIF)

Alternative investment funds or AIFs are investment funds that are distinct from mutual funds. They raise capital from a certain number of investors to invest, in the interests of those investors, in accordance with an investment policy defined by the AIFs or their management companies.

### Asset classes

An asset class consists of financial assets that share similar characteristics. Amundi has identified the following asset classes for the monitoring of its activities: Treasury, fixed income, multi-asset, equity, real, specialised and structured.

### Asset management for third parties

Process by which an investor (individual or institutional) delegates the financial management of its capital/savings to a financial intermediary, of which the management company is the most common institutional form. Asset management for third parties comprises (i) portfolio management or customised mandate-based management for individuals, companies or institutional investors, and (ii) collective management through collective investment undertakings (mutual funds).

### Assets under management

Operational business indicator not reflected in the Group's consolidated financial statements, corresponding to assets in portfolios marketed by the Group, whether the Group manages them, advises on them or delegates their management to an external manager. For each fund, assets under management are measured by multiplying the net asset value per unit (calculated by an external valuation agent in accordance with regulations in force) by the number of units/shares in issue.

### Basis points (BP)

A basis point is equal to 0.01% or 1/10,000.

### CA and SG insurers

Entities belonging to the insurance companies of the Crédit Agricole and Société Générale groups that have formed an agreement with Amundi for the management of their general assets.

### Collective investment fund

Investment funds are undertakings that collectively own financial assets. In France, these funds take various legal forms that are often very specific. Most collective investments are regulated by the AMF (mutual funds, AIFs, "other AIFs" and "other collective investments").

### Constant proportion portfolio insurance (CPPI) funds

Type of investment fund managed using the constant proportion portfolio insurance method, which gives the fund exposure to upside in the financial markets while also providing capital protection or a capital guarantee. It is based on differentiation between two types of assets in a single portfolio: dynamic assets intended to produce the returns sought, and assets providing the guarantee or protection. The breakdown of assets between these two types is reviewed regularly in order to achieve the management objective.

### Depositary

Service provider ensuring the safekeeping of securities and checking the lawfulness of management decisions taken on behalf of the mutual funds. The depositary may contractually outsource part of its functions to another establishment authorised to provide account-keeping and custody services; in particular, it may outsource the custody of assets to a "custodian". However, it may not outsource checks on the lawfulness of decisions taken by the management company of the mutual funds.

### Derivative

Financial instrument whose value varies as a function of the price of an underlying, which may be of a different nature (equity, index, currency, interest rate *etc.*). The derivative gives its holder exposure to fluctuations in the underlying without the holder having to buy or sell it itself. Derivative contracts may take various forms (swaps, forwards, futures, options, CFDs, warrants *etc.*).

### Discretionary management

Investment service consisting of managing, on a discretionary and customised basis, portfolios that include one or more financial instruments as part of a mandate given by a third party.

### ETF (exchange traded fund)

ETFs (Exchange Traded Funds) or "trackers" are stock market-listed index funds that aim to replicate as closely as possible the performance in their benchmark index, on both the upside and downside. An ETF security trades like a normal share and can therefore be purchased or sold during market trading hours.

### Formula funds

Type of mutual funds whose aim is to achieve, after a defined period, a value determined by the strict application of a predefined calculation formula, based on financial market indicators or financial instruments, and as the case may be to distribute income, which is determined in the same manner.

### Fund of funds

A fund of funds is an undertaking for collective investment in transferable securities (mutual funds) that mainly invests in equities or units of other mutual funds.

By convention, assets held by Amundi funds invested in other funds are counted in the AuM of "Institutional excluding CA and SG Insurers".

### Guaranteed product/fund

Debt security or mutual fund where the achievement of the target capital repayment/return is guaranteed by a credit institution.

### High quality liquid assets (HQLA)

Assets qualify as high-quality liquid assets (HQLA) within the meaning of CRD IV banking regulations if they can easily and immediately be transformed into cash while losing very little or no value, and in general if they can be tendered to the central bank to obtain financing. The main characteristics of a high-quality liquid asset are: 1) low risk and volatility; 2) ease and certainty of valuation; 3) low correlation with risky assets; and 4) listing on a developed, recognised market of a substantial size. Total high-quality liquid assets that are not already being used as collateral represent the numerator of the short-term liquidity ratio (LCR or liquidity coverage ratio, which measures 1-month liquidity in a stress situation) under the same regulations.

### Institutional investor FCP mutual fund

Type of mutual funds that issues units and has no legal personality. The investor, by buying units, becomes a joint owner of securities, but has no voting rights. The investor is not a shareholder in the fund. A FCP mutual fund is represented and managed in administrative, financial and accounting terms by a single management company, which may outsource those tasks.

### Institutional investors

Institutional investors are organisations that collect savings on a large scale and invest on their own behalf or on behalf of third parties. Institutional clients include sovereign funds, pension funds, insurers, other financial institutions and non-profit organisations. Amundi's "Institutional" business also covers Corporates, Employee Savings and Retirement schemes, and the CA and SG Insurers.

### Managed account

Managed accounts are covered by AIFM D, and are investment funds that give investors access to alternative management in a regulated environment, while limiting the main operational risks. These alternative funds are under the control and oversight of the operator of the managed account platform, who delegates the financial management of a portfolio to a third party manager. That manager has the task of replicating some or all of the investment strategy used in its reference fund. This operational arrangement is intended to limit exposure to the third-party manager to its performance drivers only. The aim of a managed account is to give investors greater operational security, independent risk management through greater transparency, and in general improved liquidity.

### Management mandates

Investment service consisting of managing, on a discretionary and customised basis, portfolios that include one or more financial instruments as part of a mandate given by a third party.

### Multi-asset funds

Multi-asset funds invest in a wide variety of securities and in various asset classes (equities, bonds, money market *etc.*). Risks and returns associated with a diversified fund may vary greatly depending on its management objectives and the composition of its assets.

### Net fee margin

Net fee margin corresponds to net fee income for the period divided by average assets under management (excluding joint ventures) during the same period, expressed in basis points.

### Net inflows/(outflows)

Operating activities indicator not reflected in the consolidated financial statements and that corresponds to the difference between the subscription and buyback amounts of the period. Positive net inflows mean that the total amount of inflows (from client investments) is higher than the amount of outflows (from client withdrawals). Conversely, negative net inflows mean that the total amount of outflows is higher than the amount of inflows.

### Net management fees

Net management fees equal management fees received net of fees paid. Management fees received correspond to management fees paid by the portfolio to remunerate the management company, recognised as and when the service is rendered and generally calculated as a percentage of assets under management, along with fees paid by the funds to Amundi Finance in relation to the guarantees provided by Amundi Finance for guaranteed funds or EMTNs, turnover fees paid by the fund, and other fees of smaller amounts, such as front-end charges and securities lending and borrowing fees. Fees paid comprise commissions paid to distributors in accordance with contractual provisions, depositary and valuation fees where paid by the management company, and to a lesser extent, certain related administrative costs.

### Open-ended funds

Collective investment undertakings that may take the form of a UCITS, AIF or other, that are open to both non-professional and professional investors.

### Passive or index-based management

Investment strategy intended to replicate as accurately as possible the performance of a benchmark index.

### Performance fees

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

### Portfolio management company

Investment service provider whose main activity is managing assets for third parties (individually through a management mandate or collectively through a mutual fund) and which is subject to AMF authorisation.

### Privileged

Notion qualifying Amundi's commercial relationship with certain distributors that provide specific services and implement particular efforts to promote its products. The agreements formalising these relationships do not, however, provide for any exclusivity.

### Real and alternative assets

Asset portfolios managed by Amundi Asset Management platforms in charge of real estate, unlisted equities, infrastructure and private debt.

### (Real-estate mutual funds) – OPCI

A real-estate mutual fund – OPCI takes the form of either a variable-capital real-estate-focused investment company or a real-estate investment fund, and its purpose is to invest in properties intended for rental or properties that it has built exclusively in order to rent them out, which it owns directly or indirectly, including buildings not yet completed, as well as to carry out all operations involved in using or reselling such properties, all types of works on these properties including operations relating to their construction, renovation and upgrading with a view to letting them out, and incidentally to manage financial instruments and deposits.

### Retail

Client segment including the following distribution channels: French Networks, International Networks, Third-party Distributors and Joint-Ventures.

### Seed money investments

Amundi capital invested in order to launch funds before they are marketed. The intention is for this capital to be gradually replaced by capital invested by clients.

### Smart beta

Investment strategy involving management processes based on indexes other than those that weight stocks by market capitalisation, *e.g.* "anti-benchmark®" management by TOBAM.

### Spread

In general, a spread is a differential between two rates. The term's precise definition varies according to the type of market in relation to which it is used.

### Sovereign fund

International investment funds owned by a state or a state's central bank.

### Structured bonds (or EMTNS)

Debt securities issued by financial institutions that have similar economic characteristics to those of a formula fund (as opposed to a standard bond), since redemption and interest payments depend on a mathematical formula that may include one or more underlyings that may be very diverse in nature (equities, indexes, funds, funds of funds *etc.*).

### Structured funds

Type of investment fund that generally features guarantees or protection on some or all of the amounts invested, mainly comprising two large families: formula funds and constant proportion portfolio insurance (CPPI) funds.

### Third-party distributors

A distributor is a service provider in charge of marketing investment services and financial instruments to its client base (retail customers or institutional investors). Amundi has contracts with more than 1,000 distributors worldwide for the marketing of its products and services. Amundi's third-party distributors include all distributors except for partner distribution networks in France (Crédit Agricole, LCL, Société Générale, Crédit du Nord), partner distribution networks outside France (UniCredit, HypoVerreinsbank, Bank Austria, Resona, BAWAG P.S.K., Cariparma, Friuladria, Komerční Banka, CA Polska, Eurobank) and joint ventures with State Bank of India, Agricultural Bank of China, South Korean banking group NongHyup and Moroccan banking group Wafa.

### Tracking error

Tracking error is an asset-management risk measurement used in portfolios that track indexes or are compared with a benchmark index. It is the annualised standard deviation of the differences between portfolio returns and benchmark index returns.

### UCITS (undertakings for collective investments in transferable securities)

Portfolio of securities (shares, bonds, *etc.*) managed by professionals (management companies) and owned collectively by individual or institutional investors. There are two types of UCITS type funds: SICAVs (variable-capital investment companies) and FCPs (mutual funds).

### Upfront fees

Fees paid by the client that correspond to commissions paid to distributors, in accordance with contractual provisions. They are generally defined as a percentage of management fees. Upfront fees paid to distributors are capitalised and amortised over the life of the contracts.

### Value at risk (VaR)

Value at Risk represents an investor's maximum potential loss on a financial asset or portfolio of financial assets, which should only be reached with a given probability over a given timeframe. In other words, it is the worst loss expected over a given timeframe for a certain confidence level. VaR can be regarded as a quantile of the distribution of profits and losses associated with holding an asset or portfolio of assets over a given period.

### Voluntary investments

Proprietary investments carried out by Amundi, as opposed to investments for third parties.

# 8.7 CROSS-REFERENCE TABLES

## 8.7.1 Cross-reference table with Appendix I to the Prospectus Directive

This cross-reference table summarises the main topics covered in Annex I (minimum information to be included in a Share Registration Document) of Regulation (CE) No. 809/2004 of the European Commission of 29 April 2004 (the “Regulation”) and refers to the sections and chapters of this Registration Document where the information relating to each topic is covered.

| No. | Topics covered in Annex I of the Directive | Pages |
|---|---|---|
| 15.2 | Pensions and other benefits | 78-80 |
| **16.** | **Functioning of administrative and management bodies** | |
| 16.1 | Terms of office of the members of the Board of Directors | 36-50 |
| 16.2 | Service contracts linking the members of the administrative bodies | 53-55 |
| 16.3 | Information about the Audit Committee and the Compensation Committee | 57-58; -61 |
| 16.4 | Statement relating to corporate governance | 34 |
| **17.** | **Employees** | |
| 17.1 | Number of employees | 1; 99-102; 109-111; 210; 266 |
| 17.2 | Shareholdings of the issuers capital and stock options | 16-17; 63; 213; 245 |
| 17.3 | Agreements providing for employee participation in the issuer's capital | 16-17; 21-22; 110; 245 |
| **18.** | **Principal shareholders** | |
| 18.1 | Identification of the principal shareholders | 16-17 |
| 18.2 | Existence of different voting rights | N.A |
| 18.3 | Control of the issuer | 16-17 |
| 18.4 | Agreement that could result in a change of control | N.A. |
| **19.** | **Related party transactions** | **205-208; 220-221; 260; 284-285** |
| **20.** | **Financial information concerning the issuer's assets, financial position and results** | |
| 20.1 | Historical financial information(1) | 12-13; 16-17; 25; 164-231; 234-267 |
| 20.2 | Pro forma *financial information* | N.A. |
| 20.3 | Financial statements | 164-227; 234-267 |
| 20.4 | Verification of the annual historical financial information | 228-231; 268-271 |
| 20.5 | Date of the most recent financial information | 163 |
| 20.6 | Interim and other financial information | N.A. |
| 20.7 | Dividend distribution policy | 17; 210 |
| 20.8 | Legal and arbitration proceedings | 146; 209; 257 |
| 20.9 | Significant change in the financial or business condition | 283 |
| **21.** | **Additional information** | |
| 21.1 | Share capital | 16-17; 209; 260; 274 |
| 21.1.2 | Shares not representing capital, number and main characteristics | N.A. |
| 21.1.3 | Number, carrying amount and nominal value of shares held by the issuer itself, on its behalf or by its subsidiaries | 16; 21-22; 254 |
| 21.1.4 | Amount of convertible or exchangeable securities or securities with warrants | N.A. |
| 21.1.5 | Information on the terms and conditions governing any acquisition rights and/or any obligations attached to subscribed unpaid share capital or any company planning to increase capital | N.A. |
| 21.1.6 | Information on the capital of any member of the Group under an option or with a conditional or unconditional agreement that would place it under an option | N.A. |
| 21.1.7 | Evolution of share capital over the period covered by historical financial information, highlighting any change | 16-17 |
| 21.2 | Constitutive documents and Articles of Association | 274-278 |
| 21.2.1 | Corporate purpose of issuer indicating where this is written in its constitutive documents and articles of association | 274 |
| 21.2.2 | Provisions in the issuer's constitutive documents, articles of association, charter or rules of procedure regarding members of its corporate bodies | 53-57; 279-282 |
| 21.2.3 | Rights, privileges and restrictions attached to each category of shares | 275 |
| 21.2.4 | Actions required to change the rights of shareholders | N.A. |
| 21.2.5 | Terms and conditions governing general meetings | 277 |
| 21.2.6 | Provisions in the issuer's constitutive documents, articles of association, charter or rules of procedure which could have the effect of delaying, deferring or preventing a change of control | N.A. |
| 21.2.7 | Provisions in the issuer's constitutive documents, articles of association, charter or rules of procedure setting the threshold above which shareholdings must be disclosed | 274-275 |

| No. | Topics covered in Annex I of the Directive | Pages |
|---|---|---|
| 21.2.8 | Conditions in the constitutive documents, articles of association, charter or rules of procedure governing changes in capital where these are stricter than required by law | N.A. |
| **22.** | **Material contracts** | **283** |
| **23.** | **Information from third parties, expert certifications and declarations of interest** | **N.A.** |
| **24.** | **Publicly available documents** | **283** |
| **25.** | **Information on equity investments** | **24; 205-207; 222-225; 251-252** |

*(1) In accordance with Article 28 of EC Regulation 809/2004 and Article 212-11 of the AMF's General Regulation, the following are incorporated by reference:*

- *the consolidated financial statements for the financial years ended 31 December 2012, 2013 and 2014 as included in Annex II of the Prospectus filed with the AMF on 6 October 2015 under number I 15-073, as well as the statutory auditors' report on the related financial statements, as shown on page 81 of this same Annex II;*
- *the annual and consolidated financial statements for the year ended 31 December 2015 and the related statutory auditors' reports as included in the 2015 Amundi Registration Document filed with the AMF on 20 April 2016 under no. R. 16–025;*
- *the annual and consolidated financial statements for the year ended 31 December 2016 and the related statutory auditors' reports as included in the 2016 Amundi Registration Document filed with the AMF on 13 March 2017 under no. R. 17-006.*
- *the annual and consolidated financial statements for the year ended 31 December 2017 and the related statutory auditors' reports as included in the 2017 Amundi Registration Document filed with the AMF on 10 April 2018 under no. R. 18-011.*

## 8.7.2 Regulated information within the meaning of the AMF General Regulation contained in this Registration Document

This Registration Document includes all the items from the annual financial report as listed in Articles L. 451-1-2 of the Monetary and Financial Code and required by Article 222-3 of the AMF's General Regulation.

The table below shows the items included in the annual financial report:

Amundi
A French limited company with share capital of €504,260,885
Credit institution governed by the French Monetary and Financial Code

Registered office: 91-93, boulevard Pasteur 75015 Paris, France
Postal address: 90, boulevard Pasteur, CS21564, 75730 Paris cedex 15, France
Telephone number: +33 (0)1 76 33 30 30
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Amundi

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