

Amundi

Results for the first nine months of 2017

Results up sharply thanks to the integration of Pioneer and business momentum

Net inflows¹ of +€58bn over the first nine months o/w +€31bn in Q3 2017

Activity	<ul style="list-style-type: none">– Strong combined net inflows¹: +€57.5bn over the first nine months of 2017 o/w +€31.2bn in Q3 2017, driven primarily by Retail and treasury products– €1,400bn in AuM¹ at 30 September 2017, including Pioneer's AuM
Results	<ul style="list-style-type: none">– Combined income² (Amundi + Pioneer) increased sharply:<ul style="list-style-type: none">– Over the first nine months of 2017:<ul style="list-style-type: none">– Net revenue³ of €1,971m, up +6.0% vs. 9M 2016– A cost/income ratio⁴ of 53.1%, an improvement of 2.2 pts over the first nine months of 2016– Current net income Group share⁴ of €650m, up +11.1% vs. 9M 2016– Net income Group share of €591m.– At Q3 2017:<ul style="list-style-type: none">– Net revenue³ of €632m, up +4.4% vs. Q3 2016– Costs controlled⁵ (+1.4%) with a cost/income ratio⁴ of 53.5%, a 1.6 pt improvement over Q3 2016– Current net income Group share⁴ of €217m, up +10.8% vs. Q3 2016– Accounting results<ul style="list-style-type: none">– Over the first nine months of 2017: €472m in accounting net income Group share (compared to €415m in the first nine months of 2016)– in Q3 2017 : accounting net income Group share of €184m, up 34.3% vs. Q3 2016

Paris, 27 October 2017

Amundi's Board of Directors, chaired by Xavier Musca, convened on 26 October 2017 to review the financial statements for the first nine months and third quarter of 2017.

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

"Amundi's results at the end of September are up significantly, thanks to the integration of Pioneer and to business momentum, which is staying high in all business lines. The integration of Pioneer (acquired on 3 July 2017) is well under way, so we can confirm the announced synergies and potential value creation."

¹ Combined AuM and inflows: nine months Amundi and Pioneer, including assets under advisory and assets sold and taking into account 100% of assets under management from inflows on the Asian JVs. For Wafa in Morocco, assets are reported on a proportional consolidation basis.

² Combined data in 2016 and 2017: First nine months Amundi + first nine months Pioneer and Q3 Amundi + Q3 Pioneer.

³ Excluding amortisation of distribution contracts (UniCredit, SG, and Bawag)

⁴ Excluding amortisation of distribution contracts (UniCredit, SG, and Bawag) and excluding Pioneer integration costs

⁵ Excluding Pioneer integration costs

1. Business activity: combined net inflows of €57.5bn over the first nine months of 2017 and assets under management at €1.4 trillion at end September 2017

At 30 September 2017, combined AuM (Amundi + Pioneer) stood at €1,400bn thanks to the contribution of Pioneer's AuM at 3 July 2017 (scope effect of +€242.9bn), a strong level of activity (net inflows of +€31.2bn in Q3), and a favourable market environment.

Note: all AuM and inflows below are presented as combined.

First nine months of 2017

Combined net inflows of +€57.5bn were driven by brisk sales in Retail; sales were diversified across all asset classes, with a significant component of medium/long-term products⁶ (45% of the total), and balanced between France and International.

The Retail segment enjoyed a strong level of activity with net inflows of +€35.3bn for the first nine months of 2017, **generated by all distribution channels:**

- networks in France (+€3bn)
- international networks, specifically in Italy (+€4.4bn), which illustrates the good start to the distribution agreement with UniCredit,
- third-party distributors (+€12.8bn) in all regions,
- and the Joint Ventures (+€11.8bn), specifically in China and India.

Net inflows from the Institutionals and Corporates segment remained brisk, at +€22.1bn over the first nine months of 2017. These inflows are primarily made up of treasury products.

All asset classes contributed to net inflows over the first nine months. Medium/long-term assets made up +€25.9bn (+€32.8bn excluding the €6.9bn mandate reinternalised by the ECB in Q1 2017). The momentum in ETF (+€10bn) and real estate (+€2.5bn) was confirmed.

From a geographic viewpoint, net inflows were balanced between France (48% of the total) and international (52% of the total); in Asia the Joint Ventures were maintaining strong momentum, while Europe excluding France was benefiting from inflows from third-party distributors and UniCredit networks.

In the third quarter of 2017

Combined net inflows amounted to +€31.2bn:

- **sustained net inflows from Retail (+€13.1bn),** observed across all distribution channels: French networks, European networks (Italy especially), third-party distributors (+€4.3bn), and joint ventures (+€4.5bn). Net inflows from the French networks in medium/long-term assets continued (+€1.0bn) thanks to unit-linked life insurance policy subscriptions.
- **sustained net inflows from the Institutionals and Corporates segment (+€18bn)** which were positive again, thanks to substantial inflows in treasury products, after net outflows at the end of the second quarter.

Note that medium/long-term asset inflows amounted to +€14.7bn, higher than in previous quarters. Geographically speaking, France, Asia, and Italy were the most robust.

⁶ Medium-long-term assets, excluding treasury products: equities; bonds; multi-assets; and real, alternative, and structured assets

2. Results up sharply thanks to Pioneer's integration and to business momentum

Accounting net income for Q3 2017: €184m up +34.3%;

Current combined⁷ net income⁸ for Q3 2017: €217m up +10.8%

Methodology

Pioneer, acquired on 3 July 2017, is consolidated for the first time in Q3 2017 in Amundi's financial statements. Accounts at 30 September 2017 take into account 9 months of Amundi and 3 months of Pioneer.

The income statement also includes :

- in 2017 : Pioneer integration costs
- in 2016 and in 2017 : amortisation of the distribution contracts (accounted for as a deduction from net revenue) with SG and Bawag and starting Q3 2017 with UniCredit networks.

To allow for better comparison between periods, data is also presented combined⁷:

- for the first 9 months 2017 et 2016 : addition of Amundi data (9 months of activity) and Pioneer data (9 months of activity).
- for Q3 2017 et 2016 : addition of Amundi data (Q3) and Pioneer data (Q3).

a) Accounting results

Accounting results at the end of September 2017 were up significantly, due to the contribution from Pioneer (first consolidated starting in Q3 2017) and the new Group's financial performance:

- **over the first nine months of 2017**
Current net income Group share (excluding integration costs and amortisation of distribution contracts) of €531m, up +25.3% vs. 9M 2016. Net income Group share after integration costs and amortization of distribution contracts amounts to €472m, up +13.7% vs. 9M 2016.
- **Q3 2017**
Current net income Group share (excluding integration costs and amortisation of distribution contracts) of €217m, up +55% vs. Q3 2016. **Net income Group share after integration costs and amortization of distribution contracts amounts to €184m, up +34.3% vs. Q3 2016.**

b) Combined results⁷

The combined results⁷, which are used to appraise the new Group's performance on a comparable basis, increased significantly (+11%⁸) thanks to solid gains in revenues and the improved cost/income ratio.

- **over the first nine months of 2017**
Net revenues⁹ amounted to €1,971m, up +6% on the first nine months of 2016, in line with the growth of assets under management. Operating expenses¹⁰ were controlled, increasing only +1.8%; the result was a cost/income ratio⁸ of 53.1%, a 2.2-point improvement. The share of net income of equity-accounted entities (essentially Asian Joint Ventures) rose significantly (+18%), to €25m. Taking into account a tax charge⁸ of €291m, **current net income Group share⁸ amounted to €650m, an increase of +11.1% compared to the first nine months of 2016.**

⁷ Combined data in 2016 and 2017: First nine months Amundi + first nine months Pioneer and Q3 Amundi + Q3 Pioneer.

⁸ Excluding amortisation of distribution contracts (UniCredit, SG, and Bawag) and Pioneer integration costs

⁹ Excluding amortisation of distribution contracts (UniCredit, SG, and Bawag)

¹⁰ Excluding costs associated with the integration of Pioneer

- **Q3 2017**

Net revenues¹¹ at €632m, were up +4.4%. Thanks to a moderate trend in operating expenses¹² (+1.4%), the cost/income ratio¹³ was down by 1.6 point to stand at 53.5%. After tax¹³, current net income Group share¹³ was €217m (+10.8%). After accounting for the amortisation of distribution contracts and Pioneer's integration costs, net income Group share was €184m.

Outlook

The acquisition of Pioneer, effective on 3 July 2017, will accelerate the growth strategy for Amundi, whose growth prospects are promising for every one of its business lines.

The process of integrating Pioneer is going as planned, which made it possible to confirm the potential value creation and phasing of synergies, the amounts of which had been announced already (before tax: €150m in cost synergies, €30m in revenue synergies): about 10% of synergies should be complete in 2017, about 35% in 2018, about 75% in 2019, and 100% in 2020.

At the same time, business momentum remained high for the new Group, driven by all the business lines (client segments, expertise, and regions).

Amundi's financial disclosures for the first nine months of 2017 consist of this press release and the attached presentation, available on <http://about.amundi.com>

¹¹ Excluding amortisation of distribution contracts (UniCredit, SG, and Bawag)

¹² Excluding costs associated with the integration of Pioneer

¹³ Excluding amortisation of distribution contracts (UniCredit, SG, and Bawag) and Pioneer integration costs

I. Income statement

1. Accounting data

In 2017, the data consists of Amundi's first nine months of activity and the three months of Pioneer Investments' activity since 1 July 2017. In 2016, the data consists of Amundi's first nine months of activity.

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

- In 2017: restatement of Pioneer-related integration costs
- In 2016 and 2017: amortisation of distribution contracts (deducted from net revenues) with SG and BAWAG and, starting in Q3 2017, with UniCredit networks.

2. Combined data

In 2017 and 2016, the information consists of:

- For the first nine months: combined data for Amundi (first nine months of activity) and Pioneer (first nine months of activity).
- For Q3: combined data for Amundi (Q3) and Pioneer Investments (Q3).

Pioneer data for 2016 and H1 2017 include the following items:

- Scope affected by the transaction (excluding Poland and India)
- Normalisation of Pioneer's tax rate

The combined data are different from the pro forma data (as presented in the 2016 Registration Document), which included restatements for the financing assumptions of the acquisition of Pioneer Investments: additional financing costs, reduced financial income.

Note:

Costs associated with the integration of Pioneer Investments:

- 9M 2017: €59m before tax and €41m after tax
- Q3 2017: €27m before tax and €20m after tax

Amortisation of distribution contracts:

- SG and Bawag €4m per quarter (€3m net of tax),
- UniCredit: €14m per quarter (€10m net of tax)

II. Amortisation of distribution contract with UniCredit

When Pioneer Investments was acquired, 10-year distribution contracts were signed with UniCredit networks in Italy, Germany, Austria, and the Czech Republic; the gross valuation of these contracts came to €546m (posted to the balance sheet under Intangible Assets). At the same time, a Deferred Tax Liability of €161m was recognised. Thus the net amount is €385m which will be amortised using the straight-line method over 10 years, as from 1 July 2017. In the Group's income statement, the net of tax impact of this amortisation will be €39m per year, posted under "Other revenues," and will be added to existing amortisations of the SG and Bawag distribution contracts (€11m per year).

III. Classification and counting methodology for AuM

To ensure that counting by asset class is consistent with Pioneer, presentation of the Group's AuM and net income by asset class has been harmonised. This change doesn't change the total amount of AuM.

In addition, given the alignment of counting methodologies for AuM, Pioneer's AuM were integrated at 30 June 2017, including AuM in Funds of Funds¹⁴ (+€22bn in the Institutionals segment). This change does not affect the amount of net management revenues.

¹⁴Group Funds invested in other Group Funds

Income statement¹⁵

(€m)	9M 2017	9M 2016	% chg. /9M2016	Q3 2017	Q3 2016	% chg. vs. Q3 2016
Net revenue*	1,550	1,247	NS	632	401	+57.7%
<i>o/w performance fees</i>	93	87	NS	28	34	-15.5%
Operating expenses **	-792	-642	NS	-338	-207	+63.1%
Gross operating income***	758	605	NS	294	194	+51.8%
Cost/income ratio (%) ***	51.1%	51.5%	NS	53.5%	51.7%	+1.8 pt
Share of net income of equity-accounted entities	25	20	NS	9	8	+9.5%
Other items	-6	0	NS	-2	-1	NS
Income before tax ***	776	625	NS	301	201	+49.6%
Taxes***	-245	-201	NS	-83	-61	+36.7%
Current net income Group share ***	531	424	+25.3%	217	140	+55.0%
Amortisation of distribution contracts after tax	-18	-8	NS	-12	-3	NS
Pioneer integration costs after tax	-41	0	NS	-20	0	NS
Net income Group share	472	415	+13.7%	184	137	+34.3%

Combined income statement¹⁶

(€m)	9M 2017	9M 2016	% chg. /9M 2016	Q3 2017	Q3 2016	% chg. vs. Q3 2016
Net revenue *	1,971	1,860	+6.0%	632	605	+4.4%
<i>o/w performance fees</i>	98	89	+9.8%	28	34	-17.5%
Operating expenses **	-1,046	-1,028	+1.8%	-338	-333	+1.4%
Gross operating income ***	925	832	+11.2%	294	272	+8.1%
Cost/income ratio (%) ***	53.1%	55.3%	-2.2 pts	53.5%	55.0%	-1.6 pt
Share of net income of equity-accounted entities	25	21	+18.0%	9	8	+10.0%
Other items	-8	-3	NS	-2	-2	NS
Income before tax ***	941	849	+10.9%	301	278	+8.0%
Taxes***	-291	-263	+10.6%	-83	-82	+1.5%
Current net income Group share ***	650	585	+11.1%	217	196	+10.8%
Amortisation of distribution contract after tax	-18	-8	NS	-12	-3	NS
Pioneer integration costs after tax	-41	0	NS	-20	0	NS
Net income Group share	591	576	+2.5%	184	193	-4.6%

¹⁵ in 2017 and 2016, the information consists of:

- For the first nine months 2017: addition of Amundi data (first nine months of activity) and Pioneer data (Q3)
- For the first nine months 2016: first nine months of activity of Amundi
- For Q3 2017: addition of Amundi data (Q3) and Pioneer data (Q3)
- For Q3 2016: Amundi Q3 2016

* Excluding amortisation of distribution contracts

**Excluding costs associated with the integration of Pioneer

***Excluding amortisation of distribution contracts (Unicredit, SG, and Bawag) and Pioneer integration costs

¹⁶ **Combined data:** in 2017 and 2016, the information consists of:

- For the first nine months: addition of Amundi data (first nine months of activity) and Pioneer Investments (first nine months of activity).
- For Q3: addition of data on Amundi (Q3) and Pioneer Investments (Q3).

Adjustments: restatement of net accounting revenues from the amortisation of distribution contracts (UniCredit as from 1 July 2017, SG and Bawag in 2016 and 2017), and restatement of 2017 accounting operating expenses for Pioneer integration costs. These two items are shown net of taxes in the table above.

Change in assets under management from 31 December 2015 to 30 September 2017

(€bn)	AuM	Net inflows	Market effect	Scope effect	
At 31/12/2015	985				
Flows in Q1 2016		+13.8	-11.6	/	
At 31/03/2016	987				
Flows in Q2 2016		+3.0	+13.6	/	
At 30/06/2016	1,004				
Flows in Q3 2016		+22.3	+19.7	+8.6	KBI GI
At 30/09/2016	1,054				
Flows in Q4 2016		+23.1	+0.1	+5.0	CAI Investors
At 31/12/2016	1,083				
Flows in Q1 2017		+32.5	+12.5	/	
At 31/03/2017	1,128				
Flows in Q2 2017		-3.7	-3.1	/	
At 30/06/2017	1,121				
Integration of Pioneer Investments	/	/	/	+242.9	Pioneer
Flows in Q3 2017		+31.2	+5.3	/	
At 30/09/2017	1,400				

Details of assets under management and combined net inflows by client segment

(€bn)	AuM 30/09/2017	AuM 30/09/2016	% chg. vs. 30/09/2016	Inflows 9M17	Inflows 9M16	Inflows Q3-17	Inflows Q3-16
French networks*	106	97	+9.9%	+3.0	-4.2	+1.8	-0.2
International networks & JVs	223	193	+15.4%	+19.6	+14.2	+7.0	+2.5
Third-party distributors	174	150	+16.2%	+12.8	+2.0	+4.3	+2.1
Retail	504	440	+14.5%	+35.3	+12.0	+13.1	+4.3
Institutionals** & sovereigns	357	337	+6.0%	+16.2	+19.1	+11.3	+14.1
Corporates & employee savings	123	101	+21.7%	+2.9	+2.1	+6.3	+2.8
CA & SG insurers	417	419	-0.6%	+3.1	+5.6	+0.4	+2.2
Institutionals	897	857	+4.6%	+22.2	+26.8	+18.0	+19.1
TOTAL	1,400	1,297	+8.0%	+57.5	+38.8	+31.2	+23.4
<i>o/w JVs</i>	<i>107</i>	<i>86</i>	<i>+24.8%</i>	<i>+11.8</i>	<i>+12.6</i>	<i>+4.5</i>	<i>+2.3</i>

* French networks: net inflows on medium/long-term assets +€3.6bn in 9M 2017, o/w +€1.0bn in Q3 2017

** Including funds of funds

Note: assets under management include all assets managed and sold.

Details of assets under management and combined net inflows by asset class*

(€bn)	AuM 30/09/2017	AuM 30/09/2016	% chg. vs. 30/09/2016	Inflows 9M17	Inflows 9M16	Inflows Q3-17	Inflows Q3-16
Equities	222	188	+18.1%	+7.0	+9.2	+2.9	+2.5
Multi-asset	247	226	+9.4%	+13.2	+8.4	+4.9	+3.3
Bonds	644	639	+0.9%	+4.0**	+8.8	+7.0	+3.0
Real, alternative and structured assets	67	58	+15.5%	+1.7	+0.4	-0.1	+0.8
MLT ASSETS	1,181	1,111	+6.3%	+25.8	+26.7	+14.7	+9.6
Treasury products	219	186	+17.8%	+31.7	+12.1	+16.5	+13.8
TOTAL	1,400	1,297	+8.0%	+57.5	+38.8	+31.2	+23.4

*Change in the classification of asset classes. See "methodology" section in this press release

**Including the ECB's reinternalisation of a mandate in Q1 2017 for -€6.9bn

Details of assets under management and combined net inflows by region

(€bn)	AuM		% chg. vs. 30/09/2016	Inflows		Inflows	
	30/09/2017	30/09/2016		9M17	9M16	Q3-17	Q3-16
France	845*	799	+5.7%	+27.7	+17.7	+19.3	+16.0
Italy	170	160	+6.2%	+6.6	+3.1	+2.4	+1.1
Europe excl. France and Italy	140	123	+14.1%	+5.5	+5.6	+2.1	+3.1
Asia	164	138	+18.8%	+15.3	+13.3	+7.2	+1.8
Rest of world	81	76	+5.5%	+2.4	-1.0	+0.2	+1.4
TOTAL	1,400	1,297	+8.0%	+57.5	+38.8	+31.2	+23.4
TOTAL excl. FRANCE	555	498	+11.5%	+29.8	+21.1	+11.8	+7.4

*O/w €403bn for CA & SG insurers

About Amundi

Amundi is Europe's largest asset manager by assets under management and ranks in the top 10¹⁷ globally. Thanks to the integration of Pioneer Investments, it now manages 1.4 trillion¹⁸ euros of assets across six main investment hubs¹⁹. Amundi offers its clients in Europe, Asia-Pacific, the Middle-East and the Americas a wealth of market expertise and a full range of capabilities across the active, passive and real assets investment universes. Headquartered in Paris, and listed since November 2015, Amundi is the 1st asset manager in Europe by market capitalization²⁰.

Leveraging the benefits of its increased scope and size, Amundi has the ability to offer new and enhanced services and tools to its clients. Thanks to its unique research capabilities and the skills of close to 5,000 team members and market experts based in 37 countries, Amundi provides retail, institutional and corporate clients with innovative investment strategies and solutions tailored to their needs, targeted outcomes and risk profiles.

Amundi. Confidence must be earned.

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¹⁷ Source IPE "Top 400 asset managers" published in June 2017 and based on AUM as of end December 2016.

¹⁸ Amundi figures as of September 30, 2017

¹⁹ Investment hubs: Boston, Dublin, London, Milan, Paris and Tokyo

²⁰ Based on market capitalization as of September 30, 2017