4

Review of financial structure and results in 2021

4.1 FRAMEWORK FOR PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS 196
4.1.1 Accounting methods and principles 196
4.1.2 Scope of consolidation 196

4.2 MARKET CONTEXT IN 2021 196
4.2.1 Macro-economic and financial environment 196
4.2.2 The asset management market 197

4.3 ACTIVITY AND CONSOLIDATED RESULTS OF AMUNDI FOR 2021 201
4.3.1 Strong business momentum 201
4.3.2 A record net income in 2021 204
4.3.3 Alternative Performance Indicators (API) 206
4.3.4 Dividend policy 207

4.4 BALANCE SHEET AND FINANCIAL STRUCTURE 208
4.4.1 Amundi consolidated balance sheet 208
4.4.2 Off-balance sheet items 210
4.4.3 Financial structure 211

4.5 OTHER INFORMATION 213
4.5.1 Transactions with related parties 213
4.5.2 Main risks and internal control 213

4.6 RECENT EVENTS AND OUTLOOK 214
4.6.1 Acquisition of Lyxor 214
4.6.2 Successful development of Amundi Technology 214
4.6.3 ESG objectives for 2018-2021 exceeded and announcement of new ESG objectives for 2025 215
4.6.4 Planned IPO of SBI Funds Management 215
4.6.5 Covid-19 215
4.6.6 Russia/Ukraine crisis 215
4.6.7 Appointment of a Deputy CEO 215

4.7 ANALYSIS OF THE RESULTS OF AMUNDI (PARENT COMPANY) 216

4.8 INFORMATION ON PAYMENT PERIODS FOR SUPPLIERS AND CLIENTS (PARENT COMPANY) 217

4.1 FRAMEWORK FOR PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

4.1.1 Accounting methods and principles

The accounting principles and policies and their changes are described in note 1 of the notes to the consolidated financial statements as of 31 December 2021.

4.1.2 Scope of consolidation

The scope of consolidation and its changes are described in note 9.3 of the notes to the consolidated financial statements as of 31 December 2021. The main highlight was the acquisition of Lyxor from Société Générale on 31 December 2021.

4.2 MARKET CONTEXT IN 2021

4.2.1 Macro-economic and financial environment

After the major shock of 2020, the global economy bounced back strongly in 2021. The progress of vaccination campaigns meant that business activity could gradually return to normal, albeit at speeds that varied greatly from country to country, and with temporary periods of further restrictions as successive waves of Covid-19 hit. The combination of renewed demand and disrupted supply resulted in inflation reaching very high levels almost everywhere. At the end of the year, the major central banks in developed economies announced a gradual reduction of their support measures, while those in emerging economies had already toughened their monetary policies. Bond market yields rose sharply. On the equity markets, the indices of developed countries performed very well, while emerging countries' indices posted much more mixed performance.

United States

The US economy recovered very strongly in 2021, although it followed an erratic trajectory. After a very good first half-year, activity slowed at the end of the third quarter due to a sharp increase in Covid-19 cases. However, there was a re-acceleration in the fourth quarter, when monthly figures and business surveys demonstrated very buoyant demand. The year was also dominated by significant difficulties in the supply of semi-finished goods, due to disruptions and bottlenecks in global industrial chains, resulting in price pressures. In addition to base effects, soaring energy prices and considerable demand also helped to push inflation to a very high level in the second half of the year. The labour market continued to recover, while the business climate remained buoyant. Having maintained a very accommodative stance for most of the year, at its last two monetary policy committee meetings the Federal Reserve announced that it would be gradually reducing its asset purchases.

Euro zone

Developments in the Covid-19 epidemic continued to play a determining role in the economic situation in 2021. Business was severely affected in the first quarter by significant restrictions aimed at curbing the spread of the virus. However, from the second quarter onwards, the progress of vaccination campaigns meant that many sectors were able to reopen, leading to a sharp upturn in the economic climate until the autumn. Furthermore, the first payments from the European NGEU recovery fund provided additional support. Activity slowed again at the end of the year, however, due to the increase in Covid-19 infections and uncertainties related to the Omicron variant. Disruptions in global industrial chains, the sharp rise in energy prices, base effects and the strong demand generated by the reopening of the economy caused inflation to rise sharply throughout the eurozone. The labour market improved despite a reduction in support measures. The ECB maintained a very accommodative stance, providing considerable support to the economies of Member States, whose governments also continued to take action *via* significant budgetary measures at national level.

Emerging countries

Emerging economies experienced a very turbulent year in 2021. Growth rebounded strongly as vaccination campaigns progressed, while population mobility normalised after the disruption caused by the Delta variant earlier in the year. Governments increased their support measures, with the improvements seen in developed economies also generating positive effects. Inflation accelerated sharply in the second half-year (often exceeding central banks' targets, particularly in Latin America and Eastern Europe) due to robust domestic demand and disruptions in global supply chains, a situation that generates significant imbalances in supply and demand. The central banks had no choice but to quickly increase their interest rates, unlike their counterparts in developed countries. From a regional perspective, China's priority objectives were more structural than economic, as it tightened its regulations in several sectors in order to increase workers' share in the distribution of national income and curb rising social inequality. In Latin America, the political pendulum swung sharply towards left-wing political forces in the wake of election results in Chile and Peru, and polling in Brazil and Colombia. Finally, the economic trend was less volatile in ASEAN countries, with a more limited upturn, lower inflation and less intervention by central banks than in other regions.

Rate

2021 saw a sharp rise in sovereign rates. The German 10-year rate ended 2021 at -0.18%, a year-on-year increase of 40 bps. The US 10-year rate increased by 60 bps to 1.5%. Investors, then central bankers, revised their expectations of a rate hike sharply upwards in the face of inflationary pressures and the major upturn in economic activity. There were significant improvements in the jobs market, particularly in the United States. This change of tone among central bankers was pronounced in the fourth quarter:

- the Fed announced that its net asset purchases would end in March 2022, which is expected to make an initial increase possible as early as the second quarter. FOMC members now expect to see three increases in 2022, three increases in 2023 and two increases in 2024;
- the ECB announced a massive reduction in its current monthly purchases, from €90 billion to €20 billion in October 2022. At the same time, the ECB maintained a safety net: any securities acquired under its emergency programme (PEPP) which are reaching maturity may be reinvested, if necessary, in different asset classes and jurisdictions.

Equities

It was a very good year for equity indices with the MSCI ACWI up +19.1%, but of note was a marked divergence between developed markets (+22.5%) and emerging markets (-2.3%), particularly China (-22.7%) and Brazil (-18%). Both these countries suffered from the rise of the dollar, statements regarding reduced support to the Chinese economy in the first quarter and an unprecedented tightening of regulations in China. Elsewhere, 2021 was marked by a marked upswing in profits in the developed world (up +52%) as well as strong support for fiscal and monetary policies in the uncertain context of the Covid-19 pandemic. The continued rise in inflation, mainly linked to bottlenecks in the production chain, finally resulted in the central banks, and the Fed in particular, taking a harder line towards the end of the year, having indicated this as far back as June. Just when the Omicron variant was driving further reductions in movement worldwide, this tougher tone caused the markets to falter, although they still closed near to their annual highs. In regional terms, the United States (+25.2%) and Europe (+19.9%) led the way. Some European markets even fared better than the United States, namely the Netherlands (+35.4%), Sweden (+31.5%) and France (+26.7%). The United Kingdom (+15%), Japan (+11.4%) and the Pacific excluding Japan (+5.3%) were disappointing. In Europe, this year of economic recovery boosted cyclical stocks (+22.3%) more than defensive stocks (+15.9%) and the fall in real interest rates benefited growth stocks (+24.4%) more than value stocks (+15.3%). Semi-conductors (+67.7%) and luxury goods (+31.3%) were the big winners, while utilities (+4.1%) and real estate (+4.1%) struggled.

4.2.2 The asset management market(1)

A dominant feature of 2021 was the return of investors to medium- and long-term products, which recorded their highest-ever inflows (+€2.5 trillion) on the back of well-oriented stock markets and the prospect of recovery from the economic and health crises.

Inflows were mainly concentrated in bond and equity products, which each accounted for one third of total global investments. Investments varied between geographical areas, however, with US investors favouring interest rate products while the vast majority of Asian and European clients opted for diversified and equity offerings. Furthermore, US and Asian investors also looked to money market funds pending replacement to grow their assets (+€506 billion).

Funds invested in Chineses bond issuers (which have broadened their investor base to European clients) have been significant in medium to long term flows. Also, investment expertises in Chinese assets (equity and bond) were more differentiated with global emerging markets expertise, thanks to on one hand their integration into market indexes, and on the other hand from favourable indicators for recovery from the crisis having maintained their yields. Despite a slowdown in the second half of the year, funds invested in US issuer debt for domestic investors were the second-biggest investment driver. The specialism attracting the third highest volume of inflows was international equity management (primarily in Europe and Asia).

(1) *Sources: Amundi and Broadridge Financial Solutions – FundFile & ETFGI/Open-ended funds (excluding dedicated mandates and funds) as of the end of November 2021. The net inflows of multi-distributed products (cross-border) have been reallocated in full in Europe.*

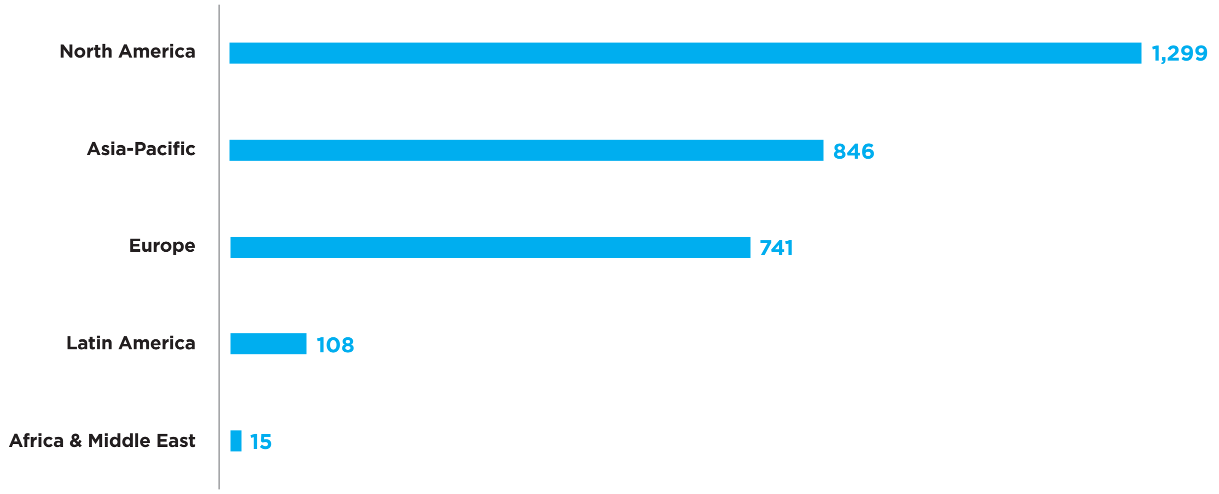
Responsible and sustainable (ESG) investments continued to grow strongly, with more than €6,000 billion in assets under management. The main drivers of growth were the SFDR Directive coming into force in Europe and the increasing market share of ESG investments in all management specialisms and client types.

Investment momentum in ESG offerings, already very strong in previous years, reached a record high with more than €700 billion in medium- and long-term inflows (28% of all inflows worldwide), particularly in thematic funds focused on environmental issues.

Passive management attracted more than €1 trillion in net subscriptions with an all-time high for passively managed equity investments, spurred on by exchange-traded funds (ETFs). The ETF market reached its highest point ever, with USD 10 trillion in assets under management (+29% in 1 year) buoyed by inflows of more than USD 1 trillion. Passive management as a whole (including traditional index-linked funds) met with strong worldwide demand, particularly in the United States, which accounted for two-thirds of inflows (+€694 billion). Investments were also significant in Europe (+€232 billion) and Asia (+€159 billion).

Net inflows in 2021 by geographic area around the world

(in € billions)



4.2.2.1 European market

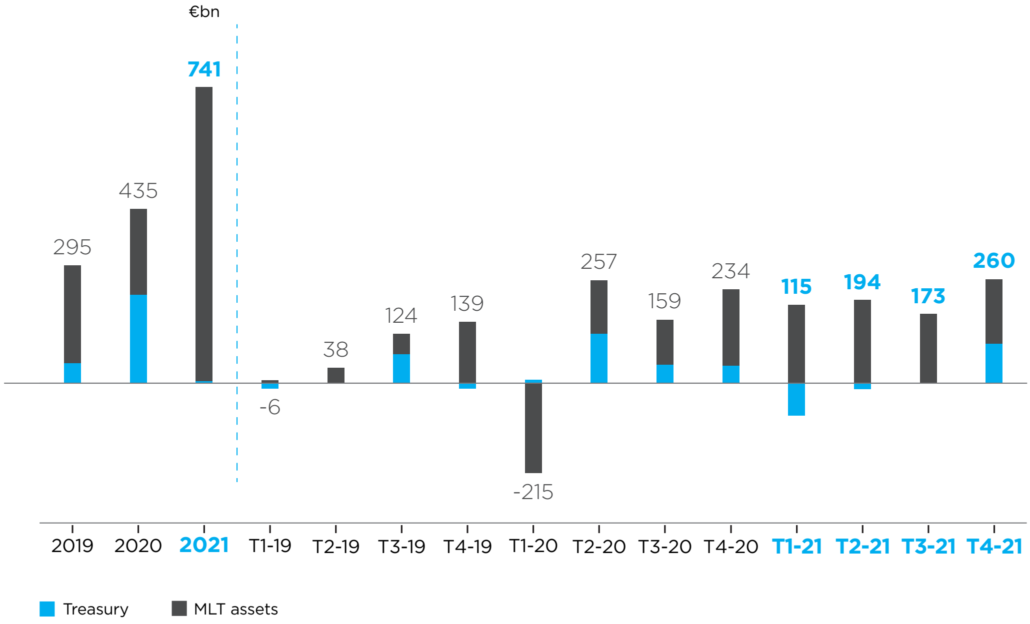
Benefiting from spectacular market growth and inflows of nearly €750 billion, assets in funds domiciled in Europe reached an all-time high of €15 trillion, up 18% year on year.

The year was dominated by the significant and steady momentum of medium- and long-term products, which accounted for almost all net subscriptions (+€737 billion, more than three times the inflows in 2020), to the advantage of all asset classes, despite a slowdown in the last quarter due to the situation with inflation and the spread of the Omicron variant.

Equity products were the main beneficiaries of investments made in Europe, reaching a record high. Inflows were concentrated mainly in funds with environmental themes (climate, ecology and clean energy) and international equities.

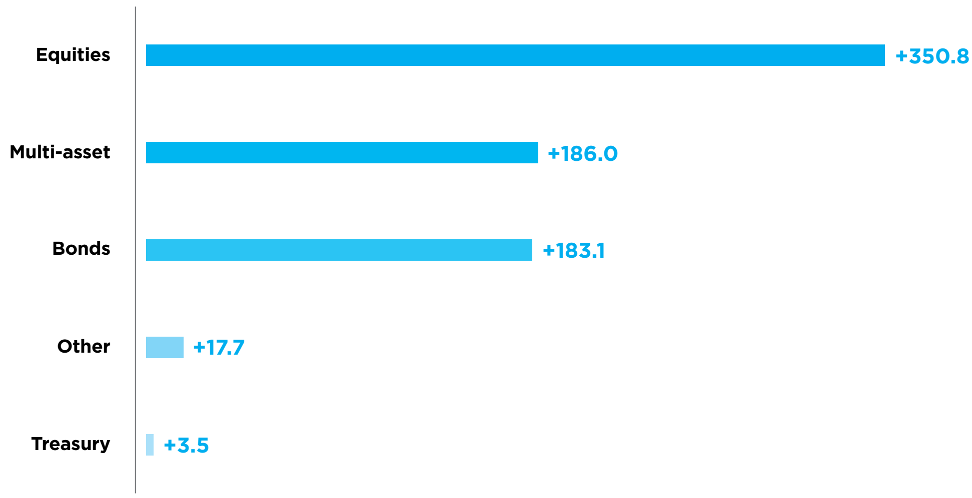
ESG funds were the main driver of medium- and long-term investment (nearly 75% of inflows). Of these, the main beneficiaries were international equity funds focusing on ecological and environmental themes or invested in US stocks. Diversified funds also made a considerable contribution to responsible investment inflows, supported in particular by local offerings aimed at retail clients .

Bond solutions had various dynamics differentiated according to their type of management. Global flexible, variable-rate or short-term funds offering protection against rising interest rates were favoured by investors, as were inflation-linked bonds. However, redemptions were made on emerging funds (with the exception of offerings from China) and maturing funds.



2021 net inflows by asset class in Europe

(in € billions)



Others = ABS, derivatives, forex, hedge funds, property, commodities, etc.

4.2.2.2 Asia-Pacific markets

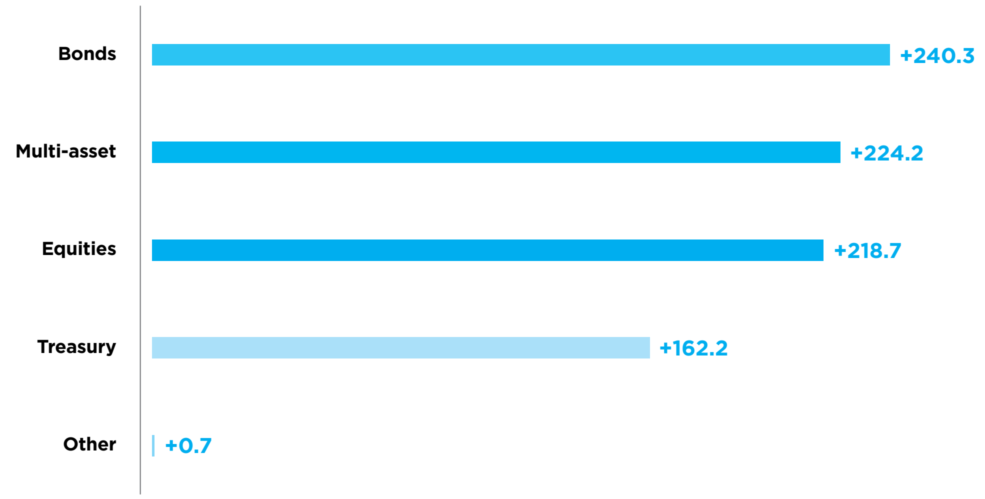
Spurred on by the Chinese market (76% of Asia-Pacific inflows), Asia experienced net inflows in excess of those in Europe. Bonds were the main driver of investment, with inflows of +€240 billion. Interest rate products (bonds and money market instruments) in local Chinese currency were solely responsible for nearly 50% of the region's inflows. As in 2020, the diversified asset class attracted significant flows (+€224 billion), the bulk of which was generated in China, as a result of individual investors seeking higher returns than those offered by purely bond-based products.

International equities confirmed their appeal to investors in the Asia-Pacific region, particularly Japanese and Australian equities. US equities also benefited from brisk inflows in Japan and South Korea. Thematic and sector-based funds invested in technology saw inflows in every country in the region. Indian investors abandoned local currency bond funds in favour of exposure to the local equity market.

Lastly, the growth in ESG investments continued in Asia, now representing 3% of assets under management and 9% of medium- and long-term inflows.

Net inflows in 2021 by asset class in Asia Pacific

(in € billions)



Others = ABS, derivatives, forex, hedge funds, property, commodities, etc.

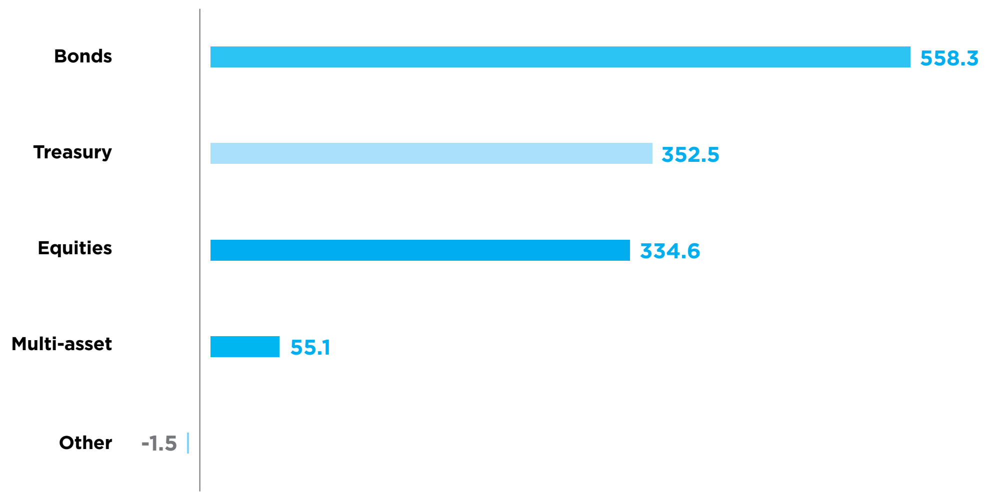
4.2.2.3 US market

In the United States, nearly half of the inflows (+€558 billion) involved bond products (US, inflation and international bonds) both actively and passively managed. Despite a strong performance by the equity markets, actively managed equity funds posted a net outflow, as has been the case in previous years, focused on US equities. By contrast, positive flows on equity ETFs reached a record high, benefiting all specialisms. After net outflows in 2020, inflows to diversified funds resumed, particularly on balanced and maturing products used as retirement savings solutions.

Although assets under management are still limited, responsible management continues to increase its share of the fund management market, contributing nearly 10% of medium- and long-term inflows.

2021 net inflows by asset class in North America

(in € billions)



Others = ABS, derivatives, forex, hedge funds, property, commodities, etc.

4.3 ACTIVITY AND CONSOLIDATED RESULTS OF AMUNDI FOR 2021

Amundi continued its profitable growth trajectory in 2021 and is ahead of its 2018–2022 plan:

- **adjusted net income of €1,315 million, an increase of +12% per year between 2018 and 2021**, compared to an objective of +5% per year (announced in 2018);
- **adjusted cost-to-income ratio of 47.9% in 2021 and** around 50% for 2018–2021 (*versus* a target of <53%).

4.3.1 Strong business momentum

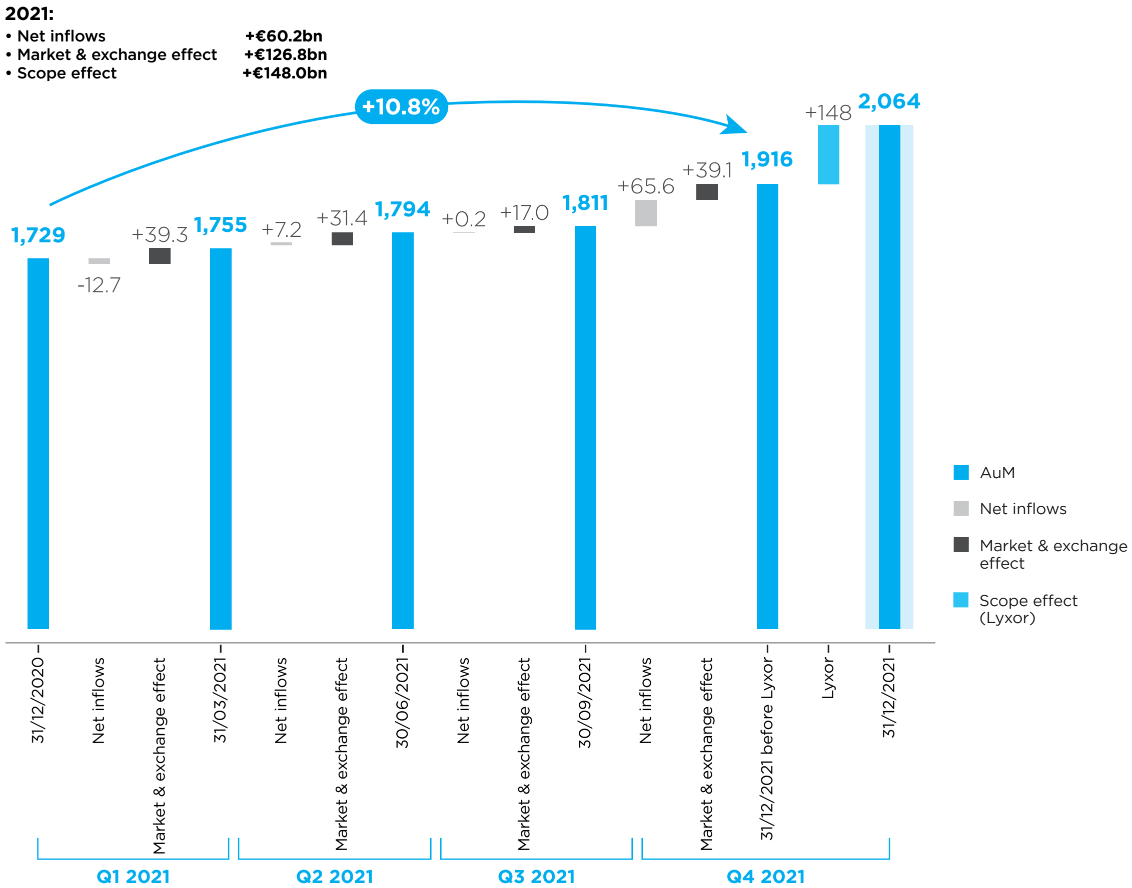
Assets under management totalled €2,064 billion as of 31 December 2021, with the acquisition of Lyxor on 31 December 2021. Excluding Lyxor, the assets managed by Amundi as of 31 December 2021 reached €1,916 billion, an increase of +10.8% over one year, thanks to a very significant market effect (+€126.8 billion) and dynamic net inflows (+€60.2 billion).

It should be noted that:

- all data on assets under management (AuM) and net inflows include advised and marketed assets, and comprise 100% of the assets managed and the net inflows from the Asian joint ventures; for Wafa in Morocco, assets under management are shown at their proportional share;
- the data on inflows and results for 2021 do not include Lyxor, whose acquisition was not finalised until 31 December 2021.

Development of Amundi's assets[(1)] under management in 2021

(in € billions)



(1) *Assets under management and inflows including BOC WM as of Q1 2021 and include advised and marketed assets, and comprise 100% of the assets managed and the net inflows from the Asian joint ventures; for Wafa in Morocco, assets under management are shown at their proportional share.*

4.3.1.1 Details of assets under management and net inflows by client segment[1]

(in € billions, excluding Lyxor)	AuM 31/12/2021	AuM 31/12/2020	var. % 31/12/2020	Inflows 2021	Inflows 2020
French networks	128	118	8.7%	0.9	7.7
International networks	174	146	19.2%	18.9	(1.4)
of which Amundi BOC WM	*11*	*0*	*/*	*10.1*	
Third-party distributors	232	185	25.6%	23.6	5.3
RETAIL (EXCL. JVs)	**534**	**449**	**19.1%**	**43.5**	**11.7**
Institutional[2] and sovereign	444	414	7.4%	0.4	14.5
Corporates	100	96	4.6%	3.3	17.8
Employee savings	78	67	16.4%	2.5	3.9
CA & SG insurers	472	464	1.7%	(0.8)	(8.2)
INSTITUTIONAL INVESTORS	**1,095**	**1,041**	**5.2%**	**5.4**	**28.1**
JVs[3]	286	239	19.8%	11.4	5.4
TOTAL	**1,916**	**1,729**	**10.8%**	**60.2**	**45.1**
AVERAGE AUM 2021 EXCL. JVS	**1,552**	**1,398**	**11.0%**	**/**	**/**

(1) Assets under management and inflows excluding Lyxor include advised and marketed assets, and comprise 100% of the assets managed and the net inflows from the Asian joint ventures; for Wafa in Morocco, assets under management are shown at their proportional share.
(2) Including funds of funds.
(3) Including -€18.4 billion in outflows from "channel business" products in China in 2021 and reinternalisation for -€11.6 billion in Q3 2021.

With the market environment remaining buoyant[1]**, business momentum was strong in 2021, driven mainly by MLT assets (+€75.5 billion** excluding JVs), with a high proportion under active management (+€55.8 billion) and **in MLT ESG assets** (+€36.5 billion[2]).

Inflows in 2021 totalled +€60.2 billion given the good business momentum in JVs (+€29.7 billion excluding "channel business" outflows[3]), and despite outflows on treasury products (-€26.6 billion).

Net flows from Retail **clients (excluding JVs) were very high at +€43.5 billion,** mainly in medium- to long-term assets (+€41.2 billion).

- **Activity among third-party distributors was particularly strong** (+€23.8 billion in MLT assets) and highly diversified by country (covering France, Italy, Germany, Spain, Hong Kong and Singapore, in particular). This commercial momentum was evenly balanced between active and passive management specialisms.
- **Momentum was particularly strong** within our **international partner networks** (+€8.8 billion in MLT assets), particularly at UniCredit (+€4.4 billion in MLT assets), driven by actively managed investments, thematic funds and ESG. In Spain (Banco Sabadell network), flows increased to +€2.1 billion, reflecting the successful roll-out of Amundi offers.

  In China, **the Amundi-BOC WM subsidiary had a very strong first year**, with inflows of +€10.1 billion from the Bank of China networks.
- Activity in **the French networks** was more mixed (-€0.2 billion in MLT assets), with positive flows of +€4.1 billion primarily in unit-linked accounts, offset by -€4.3 billion in outflows (before maturity) from structured products triggered by favourable market conditions.

Inflows from institutional clients totalled +€5.4 billion, with a high level of inflows in MLT assets (+€34.4 billion) from all client segments, and outflows on treasury products (-€28.9 billion).

JVs posted strong inflows of +€29.7 billion, excluding outflows from channel business[3] in China.

- **India** had a particularly buoyant year (+€26.0 billion), with inflows mainly drive by institutional investors and resilient flows in open-ended funds. SBI FM consolidated its **leading position in the open-ended funds market in India with a market share of 16.4%**[4]**.**

  For the record, **the planned SBI FM stock exchange listing was announced on 12 December 2021.** This listing is scheduled for 2022 on the Indian stock exchange[5] and is expected to make up 10% of SBI FM's share capital. As part of this listing, Amundi intends to sell approximately 4% of the share capital.
- **In China**, the JV with ABC recorded an inflow of +€12.8 billion excluding outflows from Channel Business products (-€18.4 billion) and excluding non-recurring reinternalisation by an institutional investor in Q3 2021 (-€11.6 billion).
- **In South Korea,** it was a good year for the JV with NH, with inflows of +€2.1 billion, including +€2.7 billion in MLT assets.

(1) Equity markets rose by an average of +25% compared to 2020.
(2) Inflows excluding Group insurance companies.
(3) Low-margin products; outflows related to regulatory changes (in 2021: -€18.4 billion).
(4) Source: AMFI India as of the end of December 2021.
(5) Subject to regulatory authorisations and market conditions. SBI FM is currently owned by SBI (62.6%), Amundi (36.78%) and its employees (0.6%).

4.3.1.2 Details of assets under management and net inflows by asset class[1]

(in € billions excluding Lyxor)	AuM 31/12/2021	AuM 31/12/2020	var. % 31/12/2020	Inflows 2021	Inflows 2020
Equities	366	277	32.0%	22.8	19.3
Multi-asset	316	263	19.9%	38.0	(1.0)
Bonds	656	635	3.3%	14.9	(11.3)
Real, alternative and structured assets	96	92	3.9%	(0.2)	4.5
MLT assets excl. JVs	**1,433**	**1,267**	**13.0%**	**75.5**	**11.5**
Treasury Products excl. JVs	197	222	(11.5%)	(26.6)	28.2
Assets excl. JVs	**1,629**	**1,490**	**9.4%**	**48.8**	**39.8**
JVs	286	239	19.8%	11.4	5.4
TOTAL	**1,916**	**1,729**	**10.8%**	**60.2**	**45.1**
O/W MLT ASSETS	**1,685**	**1,477**	**14.1%**	**83.6**	**17.7**
O/W TREASURY PRODUCTS	**230**	**252**	**(8.5%)**	**(23.4)**	**27.5**

Active management posted record inflows of +€55.9 billion in 2021,due to the quality and good positioning of the investments, particularly in ESG.

All management platforms performed well: close to 74% of assets in open-ended funds are classified in the top two quartiles over 5 years[2]. Furthermore, 86% of assets under management outperformed their benchmark over 5 years[3].

ESG remains at the heart of management strategies and processes, with constant innovation (ESG Improvers range, Social Bonds, Emerging Market bonds, etc.).

The high levels of inflows for the year reflect the positioning of the offerings, which are tailored to clients' expectations and major market trends, including:

- **diversified solutions offerings** (open-ended funds, investments managed under mandate) and **tailor-made offerings** (asset allocation, portfolio construction, advisory, etc.) with inflows of +€25.3 billion[4], including:
  - the **ramp-up of new OCIO offerings** in response to growing demand from institutional investors (16 mandates won and +€8.3 billion in inflows),
  - the **commercial momentum** of our flagship funds Global Multi Asset Conservative (+€2.3 billion) and Multi Asset Sustainable Future (+€0.8 billion);
- **the success of our Equity expertise:** Value expertise (+€1.7 billion in inflows, e.g. +€0.8 billion in the European Equity Value fund), thematic funds (+€3.9 billion, with the launch of new products such as the CPR Hydrogène fund) and ESG funds in general (Global Ecology +€0.7 billion, European ESG Improvers +€0.3 billion);
- **in bonds, the addition of several institutional mandates.**

Passive management, ETFs and Smart Beta had another very good year, with inflows of +€19.7 billion, bringing assets under management to €208 billion and exceeding the target announced in 2019 (€200 billion expected in 2023).

In **ETPs**[5], with net asset inflows of +€11.9 billion, Amundi is Europe's third largest player by inflows[6] and fifth largest in terms of AuM, with €88 billion, and a market share that is increasing once again.

ESG accounted for more than 50% of the ETF flows in the European market, and approximately 90% of Amundi's inflow, thereby demonstrating its know-how and capacity for ESG innovation.

Amundi's Real Assets division took full advantage of both its positioning and a strongly expanding real and private asset market. Inflows totalled +€4.6 billion, evenly distributed between all areas of expertise (+€1.8 billion in Private Equity, +€1.6 billion in Real Estate, +€1.1 billion in Private Debt). Assets under management totalled €62.1 billion at the end of 2021, reflecting a significant increase over the past five years (average annual growth of +11.1%).

ESG innovation was also a highlight of the year, with the launch of private-debt ESG impact funds, SRI-certified property funds, obtaining the SRI label for OPCIMMO and winning several mandates for the Equity Loan Stimulus (Prêts participatifs relance, PPR) and Bond Stimulus (Obligations relance, OR) schemes and the "Fleurons des Territoires" programme (Stimulus label) as part of the recovery plan for France.

(1) Assets under management and net inflows excluding Lyxor include advised and marketed assets, and comprise 100% of the assets managed and the net inflows from the Asian joint ventures; for Wafa in Morocco, assets under management are shown at their proportional share.
(2) Source: Morningstar Direct, open-ended funds and ETFs, global scope, excluding feeder funds, end of December 2021. 621 funds, i.e. €478 billion. A total of 183 Amundi funds have a Morningstar rating of 4 or 5 stars.
(3) As of 31 December 2021, source: internal data, scope: €1,129 billion (excluding JVs and Lyxor), active management excluding passive management, real assets, structured products.
(4) Excluding Amundi BOC WM.
(5) ETP: Exchange Traded Products, including ETF (Exchange Traded Funds) and ETC (Exchange Traded Commodities).
(6) Source ETF GI.

4.3.1.3 Details of assets under management and net inflows by region

(in € billion, excluding Lyxor)	AuM 31/12/2021	AuM 31/12/2020	var. % 31/12/2020	Inflows 2021	Inflows 2020
France	957	932	2.7%	(16.0)	26.7
Italy	200	180	11.2%	12.0	(2.0)
Europe excl. France and Italy	278	225	23.8%	31.7	28.3
Asia	369	298	23.9%	30.4	1.2
Rest of world	112	95	18.1%	2.0	(9.0)
TOTAL	**1,916**	**1,477**	**29.7%**	**60.2**	**45.1**
TOTAL EXCL. FRANCE	**958**	**545**	**75.9%**	**76.2**	**18.4**

4.3.2 A record net income in 2021

Adjusted data[1]

Amundi posted record adjusted net income[2] of €1,315 million, up +37% on 2020.

This excellent level of profitability was the result of several factors:

A high level of net revenues, up +23.5%

Management fees amounted to €2,786 million (+14.5%) due to the rise in the markets and inflow momentum. The average margin[3] (17.9 bps) was up thanks to a favourable mix effect. The very high level of performance fees in 2021 (€427 million) is linked firstly to the sharp rise in the equity markets since mid-2020, and secondly to the quality of Amundi management. Performance fees are expected to continue normalising in 2022.

Ongoing excellence in operational efficiency

Changes in operating expenses compared with 2020 (+14.4%) can be explained by:

- **ongoing development investments totalling** €65 million: investments in technology both for external clients and internal needs, the ramp-up of Amundi BOC in China, brand promotion and improved visibility for the Retail division, recruitment in growth areas of expertise (real assets, thematic funds, etc.);
- **provisions for variable compensation,** in line with the increase in operating income;
- **the change in the scope of consolidation compared** with 2020[4].

Thanks to this positive scissor effect, the cost-to-income ratio was 47.9% (approximately 50% excluding the exceptional level of performance fees[5]) and **gross operating income rose by +33%.**

The contribution from equity-accounted entities (mostly Asian joint ventures) **rose significantly to €84 million, compared to €66 million** in 2020, thanks in particular to the contributions from the JVs in China (€28 million) and India (€47 million).

Accounting data

Accounting net income amounted to €1,369 million (up +50.5% compared to 2020) and included the initial costs associated with the Lyxor integration (€12 million after tax), the amortisation of distribution contracts, and an exceptional tax gain (*Affrancamento*[6]). Net earnings per share were €6.75, a sharp increase on 2020 (+50%).

(1) The data in the income statement does not include Lyxor, which was acquired on 31 December 2021.
(2) Adjusted data: excluding amortisation of distribution contracts, and, in 2021, excluding Lyxor integration costs (€12 million in Q4 2021 after tax and €16 million before tax), and excluding the impact of Affrancamento (net gain of €114 million in Q2 2021).
(3) Net management fees/average assets under management.
(4) Change in the scope of consolidation of +€28 million: acquisition of Sabadell AM, consolidated from Q3 2020, full consolidation of Fund Channel and Anatec from Q1 2021.
(5) Exceptional level of performance fees = level greater than the average amount of quarterly performance fees in 2017-2020 (€42 million).
(6) An exceptional tax gain (net of a substitution tax) of +€114 million (with no cash flow impact): the "Affrancamento" scheme pursuant to the Italian finance law for 2021 (Law no. 178/2020), leading to the recognition of a deferred tax asset on intangible assets (goodwill); item excluded from adjusted net income.

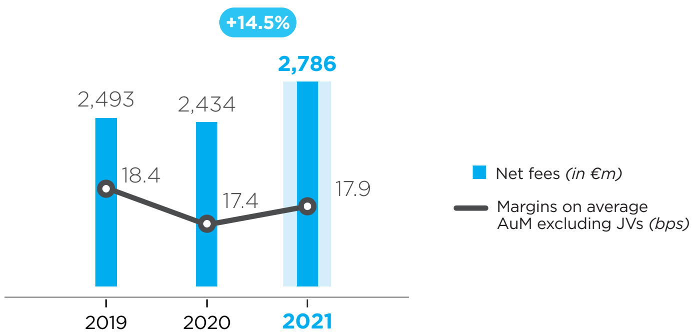
Income statement

(in € millions, excluding Lyxor)	**2021**	**2020**	**Δ 2021/2020**
ADJUSTED NET REVENUE[1]	**3,204**	**2,595**	**23.5%**
Net asset management revenue	3,213	2,634	22.0%
o/w net management fees	*2,786*	*2,434*	*14.5%*
o/w performance fees	*427*	*200*	*213.3%*
Net financial income and other net income[1]	(8)	(38)	-
GENERAL OPERATING EXPENSES[1]	**(1,534)**	**(1,341)**	**14.4%**
ADJUSTED GROSS OPERATING INCOME[1]	**1,670**	**1,255**	**33.1%**
Adjusted cost/income ratio	*47.9%*	*51.7%*	*(3.8 pts)*
Cost of risk & Other	(12)	(23)	(46.1%)
Equity-accounted companies	84	66	27.7%
ADJUSTED PRE-TAX INCOME[1]	**1,742**	**1,298**	**34.2%**
Adjusted income tax[4]	(430)	(338)	27.0%
Minority interests	3	3	-
ADJUSTED NET INCOME, GROUP SHARE[1]	**1,315**	**962**	**36.7%**
Amortisation of distribution contracts after tax	(49)	(52)	(7.1%)
Integration costs, net of tax	(12)	0	-
Affrancamento impact[2]	114	0	-
ADJUSTED NET INCOME, GROUP SHARE, INCL. *AFFRANCAMENTO*[2]	**1,369**	**910**	**50.5%**
Accounting EPS *(in euros)*	6.75	4.50	50.1%
Adjusted EPS *(in euros)*	6.49	4.76	36.3%

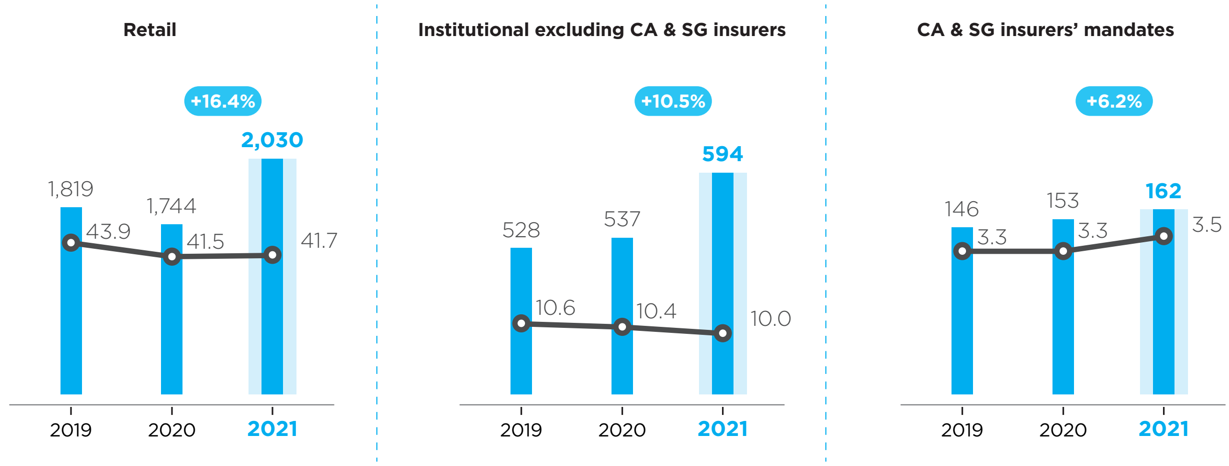
(1) Adjusted data: excluding amortisation of distribution contracts, and, in 2021, excluding Lyxor integration costs (€12 million in Q4 2021 after tax and €16 million before tax), and excluding the impact of Affrancamento (€114 million in Q2 2021). See section on API definitions and methodology.
(2) Accounting net income for 2021 included an exceptional tax gain (net of a substitution tax) of +€114 million (with no cash flow impact): the "Affrancamento" scheme pursuant to the Italian finance law for 2021 (Law no. 178/2020), leading to the recognition of a deferred tax asset on intangible assets (goodwill); item excluded from adjusted net income.

Margins[1]

Net management fees *(€m)* **and average margin on assets excluding JV** *(bps)*[1]



(1) Average margin: net asset management revenues (excl. performance fees)/average AuM excl. JVs.



The average margin on AuM increased to 17.9 basis points, compared to 17.4 basis points in 2020, due to a more favourable client/product mix effect associated with inflow momentum over several quarters, with a significant Retail and MLT Assets component.

4.3.3 Alternative Performance Indicators (API)

4.3.3.1 P&L: Methodological appendix

Accounting data

Information for the full years 2020 and 2021 corresponds to data after amortisation of intangible assets (distribution contracts); in 2021, Lyxor integration costs in Q4 (€12 million after tax and €16 million before tax) and the impact of *Affrancamento*[1] (€114 million net in Q2).

Adjusted data

To present an income statement that is closer to the economic reality, the following adjustments have been made: restatement of amortisation of intangible assets recognised as a deduction from net income (distribution contracts with SG, Bawag, UniCredit and Banco Sabadell), Lyxor integration costs and the impact of *Affrancamento*.

Note: amortisation of the SG contract (per year: €10 million after tax, €14 million before tax) **ended on 1 November 2020.**

In the accounting data, amortisation of distribution contracts:

- full year 2020: €74 million before tax and €52 million after tax;
- full year 2021: €68 million before tax and €49 million after tax.

4.3.3.2 Acquisition of Lyxor

- In accordance with IFRS 3, Amundi's balance sheet dated 31 December 2021 recognised:
  - goodwill of €652 million;
  - intangible assets representing client contracts of €40 million before tax (€30 million after tax) will be amortised on a straight-line basis over three years.
- In the Group's income statement, the intangible assets mentioned above will be amortised on a straight-line basis over three years from 2022; the net tax impact of this amortisation will be €10 million over the full year (*i.e.* €13 million before tax). This amortisation will be deducted from net income and will be added to the existing amortisations of distribution contracts.
- For the record, €70 million in pre-tax integration costs is anticipated, including the €16 million before tax already recognised in Q4 2021 (see above).

(1) Accounting net income for 2021 included an exceptional tax gain (net of a substitution tax) of +€114 million (with no cash flow impact): the "Affrancamento" scheme pursuant to the Italian finance law for 2021 (Law no. 178/2020), leading to the recognition of a deferred tax asset on intangible assets (goodwill); item excluded from adjusted net income.

4.3.3.3 API reconciliation table

In order to present a performance indicator that is closer to economic reality, Amundi publishes adjusted net income, which is reconciled with accounting net income, Group share in the following manner:

(in € millions)	2021	2020
Net revenues (a)	**3,136**	**2,521**
+ Amortisation of distribution contracts before tax	68	74
ADJUSTED NET REVENUES (b)	3,204	2,595
Operating expenses (c)	**(1,550)**	**(1,341)**
+ Pre-tax integration cost	16	0
Adjusted operating expenses (d)	**(1,534)**	**(1,341)**
Gross operating income (e) = (a) + (c)	**1,586**	**1,180**
ADJUSTED GROSS OPERATING INCOME (f) = (b) + (d)	**1,670**	**1,255**
Cost income ratio (c)/(a)	*49.4%*	*53.2%*
Adjusted cost income ratio (d)/(b)	*47.9%*	*51.7%*
Cost of risk & Other (g)	(12)	(23)
Equity-accounted companies (h)	84	66
Pre-tax income (i) = (e) + (g) + (h)	**1,658**	**1,224**
ADJUSTED PRE-TAX INCOME (j) = (f) + (g) + (h)	**1,742**	**1,298**
Income tax (k)	*(292)*	*(317)*
Adjusted income tax (l)	*(430)*	*(338)*
Minority interests *(m)*	3	3
Net income, Group share (n) = (i) + (k) + (m) – (p)	**1,255**	**910**
ADJUSTED NET INCOME, GROUP SHARE (o) = (j) + (l) + (m)	**1,315**	**962**
Affrancamento impact (p)	*114*	*0*
NET INCOME GROUP SHARE (n) + (p) INCLUDING *AFFRANCAMENTO*	1,369	910

4.3.4 Dividend policy

The Board of Directors has decided to propose a cash dividend of €4.10 per share to the Annual General Meeting to be held on 18 May 2022.

This dividend represents a pay-out ratio of 65% of net income, Group share[(1)] (excluding *Affrancamento* and integration costs), and a 6.2% yield based on the share price on 4 February 2022 (at market close). Shares shall be designated ex-dividend on 23 May 2022 and dividend will be paid out as from 25 May 2022.

Since the listing, the TSR[(2)] (total shareholder return) has been 88%[(3)], including the dividend, which will be distributed in May 2022 following the vote of the Annual General Meeting.

(1) The dividend pay-out rate is calculated based on the adjusted net accounting income, Group share for 2021 (€1,369 million), less the impact of Affrancamento (€114 million) and excluding Lyxor integration costs (-€12 million).
(2) The TSR (Total Shareholder Return) includes the total return for a shareholder: increase in the share + dividends paid from 2016 to 2021 + dividend subject to the AGM of May 2022 + preferential subscription rights detached in May 2017.
(3) As of 4 February 2022.

4.4 BALANCE SHEET AND FINANCIAL STRUCTURE

4.4.1 Amundi consolidated balance sheet

ASSETS

(in € millions)	31/12/2021	31/12/2020	Change
Cash, central banks	948	0	NA
Derivatives	3,079	3,090	(0.4%)
Financial assets at fair value through profit or loss	11,390	13,432	(15.2%)
Financial assets at fair value through equity	702	607	15.6%
Financial assets at amortised cost	2,000	2,429	(17.7%)
Current and deferred tax assets	319	177	79.5%
Accruals and sundry assets	2,276	1,921	18.4%
Interests and shares in equity-accounted entities	385	295	30.6%
Property, plant and equipment	397	410	(3.0%)
Intangible assets	519	530	(2.2%)
Goodwill	6,704	5,996	11.8%
TOTAL ASSETS	**28,718**	**28,888**	**(0.6%)**

LIABILITIES

(in € millions)	31/12/2021	31/12/2020	Change
Derivatives	2,393	2,619	(8.6%)
Financial liabilities recorded under the fair value option through profit and loss	9,694	10,086	(3.9%)
Financial liabilities at amortised cost	1,814	2,968	(38.9%)
Current and deferred tax liabilities	344	235	46.5%
Accruals, deferred income and sundry liabilities	3,316	2,762	20.1%
Provisions	126	165	(23.9%)
Subordinated debt	304	304	=
Equity, Group share	10,671	9,695	10.1%
• Share capital and reserves	3,033	2,984	1.7%
• Consolidated reserves	6,331	5,997	5.6%
• Unrealised or deferred gains or losses	(63)	(196)	(67.8%)
• Net income, Group share	1,369	910	50.5%
Non-controlling interests	56	54	4.9%
TOTAL EQUITY AND LIABILITIES	**28,718**	**28,888**	**(0.6%)**

4.4.1.1 Changes in the balance sheet

As of 31 December 2021, the balance sheet total was €28.7 billion, compared with €28.9 billion as of 31 December 2020.

As the acquisition of Lyxor was finalised on 31 December 2021, the consolidated balance sheet as of 31 December 2021 incorporates the assets and liabilities acquired and recognised in connection with the business combination in accordance with the revised IFRS 3 standard. These assets and liabilities are detailed in Note 9.3.2 to the consolidated financial statements.

Derivatives with assets represented €3,079 million as of 31 December 2021 (compared to €3,090 million as of 31 December 2020).

This amount mainly represents the following items:

- the positive fair value of performance swaps recorded on the Amundi Finance balance sheet. This subsidiary acts as the counterparty for structured funds and by hedging a symmetrical transaction with a market counterparty; as a result, the performance swap outstanding assets recorded as assets appear in equal amounts as liabilities on the Group balance sheet. Netted out, these transactions create no market risk;
- the positive fair value of interest rate and performance swaps entered into as part of structured EMTN issues.

Derivatives with liabilities represented €2,393 million as of 31 December 2021 (compared to €2,619 million as of 31 December 2020).

These amounts mainly reflect the negative fair value of derivatives contracted as part of the structured funds or EMTN business and relate to the corresponding asset item, as described above.

The financial assets at fair value through profit or loss showed balances of €11,390 million as of 31 December 2021 compared to €13,432 million as of 31 December 2020, down by -15.2%. They mostly comprised:

- assets backing EMTN issues (measured symmetrically at optional fair value through profit and loss), in the amount of €8,997 million as of 31 December 2021 compared to €9,673 million as of 31 December 2020, a fall of -7% related to changes in 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 (€276 million as of 31 December 2021 compared to €301 million as of 31 December 2020), down by -8.4%;
- voluntary investments (excluding Emir sovereign securities) of €2,006 million as of 31 December 2021 compared to €3,351 million as of 31 December 2020, a fall of -40.1%. This change reflects disposals made to finance the acquisition of Lyxor;
- non-consolidated equity interests, excluding those measured at fair value through non-recyclable equity through profit and loss, for €112 million as of 31 December 2021 compared to €107 million as of 31 December 2020, an increase of +€5 million.

Financial liabilities optionally designated at fair value through profit and loss in the amount of €9,694 million as of 31 December 2021 compared to €10,086 million as of 31 December 2020, a fall of -3.9%, represented the fair value of the structured EMTNs issued by the Group as part of broadening its range of solutions for Retail clients.

Financial assets designated at fair value through equity showed assets of €702 million as of 31 December 2021 compared to €607 million as of 31 December 2020, an increase of +15.6% over the year. This item presents non-consolidated equity interests optionally recognised at fair value through non-recyclable equity through profit and loss in the amount of €169 million as of 31 December 2021, compared with €141 million as of 31 December 2020, up by +20.4%, as well as government securities (€533 million as of 31 December 2021 compared to €467 million as of 31 December 2020, an increase of +14.1%), held under the EMIR regulation to underwrite derivatives.

Financial assets at amortised cost were made up of loans and receivables from credit institutions and amounted to €2,000 million as of 31 December 2021 compared with €2,429 million as of 31 December 2020, a decrease of -17.7%. As of 31 December 2021, they broke down into €1,733 million of short-term deposits and cash and €267 million of medium to long-term loans (excluding €125 million incorporated into voluntary investments).

Liabilities at amortised cost are made up of debts owed to credit institutions and amounted to €1,814 million as of 31 December 2021, compared with €2,968 million as of 31 December 2020. As of 31 December 2021, amounts due to credit institutions were made up of short-term loans totalling €295 million and medium to long-term loans totalling €1,519 million with the Crédit Agricole Group SA. This decrease is the result of the amortisation or early repayment of cash reserves built up in the context of the 2020 health crisis.

Subordinated debt, which totalled €304 million as of 31 December 2021, comprised subordinated debt subscribed with Crédit Agricole S.A. as part of financing the acquisition of the Pioneer Group subsidiaries. This subordinated debt matures in 2027.

Accruals, prepayments and sundry assets amounted to €2,276 million as of 31 December 2021 compared to €1,921 million as of 31 December 2020, up by +18.4%. This item records the collateral paid for Amundi swap intermediation activity for €219 million (compared to €251 million as of 31 December 2020) and other accruals, prepayments and sundry assets for €2,057 million (compared with €1,670 million as of 31 December 2020), particularly management fees outstanding.

Accruals, deferred income and sundry liabilities amounted to €3,316 million as of 31 December 2021 compared to €2,762 million as of 31 December 2020. This item records the collateral received for the intermediation activity for €662 million (compared with €651 million as of 31 December 2020) and other accruals, deferred income and sundry liabilities for €2,655 million (compared with €2,111 million as of 31 December 2020), particularly the refunds to be paid to distributors.

Intangible assets amounted to €519 million as of 31 December 2021, compared to €530 million as of 31 December 2020. This change is mainly due to the amortisation of the value of distribution contracts in the UniCredit, Bawag and Banco Sabadell networks, as well as the recognition of €40 million representing the value of client contracts as part of the Lyxor acquisition.

Goodwill totalled €6,730.9 million as of 31 December 2021 compared to €5,995.6 million as of 31 December 2020. The change over the financial year was mainly due to the acquisition of Lyxor, resulting in goodwill of €652.1 million, and exchange rate fluctuations during the period.

Goodwill includes the following principal items:

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

Provisions amounted to €126 million as of 31 December 2021 compared to €165 million as of 31 December 2020.

The Group's shareholders' equity including earnings for the period ended 31 December 2021, was €10,671 million compared to €9,695 million as of 31 December 2020, up +10.1%. This positive net change of +€976 million is mainly due to the net effect of the following items:

- Amundi dividends distributed for 2020 in the amount of €586 million;
- net income, Group share, for the financial year of +€1,369 million;
- change in "gains and losses recognised directly in equity" at +€132 million.

Non-controlling interests came to €56 million as of 31 December 2021 and mainly corresponded to the share held by BOC Wealth Management in the equity of Amundi BOC Wealth Management.

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 financial years is as follows:

	Asset classes				
31/12/2021 *(in € millions)*	**Money market instruments**	**Bonds***	**Equity and multi-asset**	**Other**	**Total**
Seed money	1	62	105	108	276
Voluntary and other investments	378	2,160	55	71	2,664
TOTAL	**379**	**2,222**	**160**	**179**	**2,940**

* *Including €530 million of Emir sovereign securities in voluntary investments and €125 million of financial assets at amortised cost.*

	Asset classes				
31/12/2020 *(in € millions)*	**Money market instruments**	**Bonds***	**Equity and multi-asset**	**Other**	**Total**
Seed money	1	55	130	115	301
Voluntary and other investments	928	2,771	56	62	3,817
TOTAL	**929**	**2,826**	**186**	**177**	**4,118**

* *Including €464 million of Emir sovereign securities in voluntary investments.*

4.4.2 Off-balance sheet items

The Group's most 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 products marketed by Amundi;
- in commitments received, the financing guarantee contracted with a banking syndicate.

(in € millions)	**31/12/2021**	**31/12/2020**
Structured funds	5,288	7,064
Constant proportion portfolio insurance (CPPI) funds	5,866	6,052
Italian pension funds	2,888	3,050
Other guaranteed funds	4,218	2,076
TOTAL OFF-BALANCE SHEET COMMITMENTS	**18,260**	**18,242**

Structured funds are intended to deliver a predefined return based on a specified structure.

CPPI funds are intended to provide partial exposure to the returns of risky assets while offering a guarantee of total or partial capital protection.

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

The financial structure remained solid at the end of 2021: prior to the acquisition of Lyxor, tangible equity[1] amounted to €4.2 billion, compared to €3.2 billion at the end of 2020. After the Lyxor acquisition, it remained high (at €3.5 billion), and the CET1 ratio was 16.1%, well above regulatory requirements.

As a reminder, in May 2021, rating agency Fitch reiterated Amundi's A+ rating with a stable outlook, the best in the sector.

4.4.3.1 Economic balance sheet

Amundi's total accounting balance sheet amounted to €28.7 billion as of 31 December 2021.

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 offsetting between certain lines.

This economic presentation of the balance sheet points to a total of €15.9 billion after offsetting and aggregation:

ECONOMIC ASSETS

(in € millions)	**31/12/2021**	**31/12/2020**
Property, plant and equipment	397	410
Investments in equity-accounted entities	385	295
Investment portfolio (incl. Emir sovereign bonds) and non-consolidated equity interests	3,096	4,366
• investments	2,940	4,119
• non-consolidated equity interests	281	247
Central banks	948	
Short-term net cash	1,304	1,134
Assets representing structured EMTNs	9,682	10,144
TOTAL ECONOMIC ASSETS	**15,937**	**16,349**

ECONOMIC EQUITY AND LIABILITIES

(in € millions)	**31/12/2021**	**31/12/2020**
Equity net of goodwill and intangible assets	3,505	3,223
Provisions	126	165
Subordinated debt	304	304
Long-term senior debts	1,519	1,838
Cash collateral	443	400
Structured EMTN issues	9,694	10,086
Accruals & net sundry liabilities	347	333
TOTAL ECONOMIC EQUITY AND LIABILITIES	**15,937**	**16,349**

(1) *Equity excluding goodwill and intangible fixed assets.*

4.4.3.2 Solvency

As of 31 December 2021, as indicated in the table below, Amundi's CET1 solvency ratio was 16.1%, compared to 20.0% as of the end of December 2020.

The decrease of -390 bps over the year is due to the acquisition of Lyxor (-540 bps) and the regulatory impact of the entry into force of CRR2 in June 2021 on the calculation of credit risk-weighted assets (-140 bps), which was partially absorbed by organically generated CET1 capital (+290 bps).

With a CET1 ratio of 16.1% and 18.1% in total capital (including subordinated Tier 2 debt), Amundi is well above the regulatory requirements.

(in € millions)	**31/12/2021**	**31/12/2020**
Core Equity Tier 1 (CET1)	2,261	2,465
Tier 1 capital (CET1 + AT1)	2,261	2,465
Tier 2 capital	285	300
TOTAL REGULATORY CAPITAL	**2,546**	**2,765**
TOTAL RISK-WEIGHTED ASSETS	**14,039**	**12,342**
of which, Credit risk (excl. threshold allowances and CVA)	*5,876*	*5,103*
of which, effect of threshold allowances	*1,112*	*1,053*
of which, Credit value adjustment (CVA) effect	*514*	*343*
of which, Operational risk and Market risk	*6,537*	*5,843*
OVERALL SOLVENCY RATIO	**18.1%**	**22.4%**
SOLVENCY RATIO CET1	**16.1%**	**20.0%**

4.4.3.3 Liquidity and debt

Financial debt (economic perspective)

As of 31 December 2021, Amundi's financial position is that of a net lender of €2,001 million (compared to €1,894 million as of 31 December 2020), as indicated in the table below:

(in € millions)	**31/12/2021**
a. Net cash	2,502
b. Voluntary investments (excl. seed money) in money market funds and short-term bank deposits	512
c. Voluntary investments (excl. seed money) in fixed-income funds	1,505
d. Liquidity (a + b + c)	**4,519**
e. Position net of margin calls on derivatives[(1)]	**(443)**
Of which, in balance sheet assets	*219*
Of which, in balance sheet liabilities	*662*
f. Short-term debts to credit institutions	252
g. Current portion (< 1 year) of medium and long-term amounts due to credit institutions	1,073
h. Current financial amounts due to credit institutions (f + g)	**1,325**
i. Long-term portion (> 1 year) of medium and long-term debts to credit institutions	750
j. Non-current financial debts to credit institutions	**750**
k. Net financial debt (economic perspective) (h + j - d - e)[(1)]	**(2,001)**

(1) The main variation factor in the Group's cash position came from margin calls on collateralised derivatives. This amount varies depending on the market value of the underlying derivatives.
(a) Net cash means asset and liability 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.

Liquidity ratios

Amundi's one-month Liquidity Cover Ratio (LCR) in a stressed scenario was 207% on a 12 month average in 2021, compared to 215% for 2020. 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, it is noted that on 23 October 2015, the Amundi 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 (renewed in October 2017 and with maturity on 23 October 2022). The purpose of this agreement is to increase the Group's liquidity profile in all currencies it covers and to secure access to that liquidity particularly if needed to deal with outflows in some funds. It includes two covenants, for which the requirements were met as of 31 December 2021:

- a minimum level of tangible equity. As of 31 December 2021, this amounted to €3.5 billion;
- a level of financial leverage (gearing), being the ratio of net debt to tangible equity. This gearing ratio was -26.7% as of 31 December 2021.

Note: definitions of debt:

It is specified that the net debt used to calculate the gearing is contractually defined as the sum of financial debt less short-term assets (cash, deposits with central banks and money market assets in the voluntary investment portfolio).

Compared to the net financial debt from an economic perspective presented in the table above, the net debt used to calculate the gearing thus excludes voluntary investments in bonds (line c) and net margin calls (line e) and was -€938 million as of the end of December 2021.

The **NSFR (Net Stable Funding Ratio)** is a stock ratio (whereas the LCR is a cash flow ratio) that compares assets that have an actual or potential maturity greater than one year with liabilities that have an actual or potential maturity greater than one year. The definition of the NSFR allocates a weighting to each element of the balance sheet (and to certain off-balance sheet items) that reflects their potential to have a maturity greater than one year.

The Amundi Group is subject to European regulations on this matter (Regulation 575/2013 as amended by Regulation 2019/876 of 20 May 2019). As such, Amundi must maintain an NSFR ratio of at least 100% from 28 June 2021. Thus, over the second semester of 2021, the average NSFR ratio was 103%.

4.5 OTHER INFORMATION

4.5.1 Transactions with related parties

The main transactions entered into with related parties are described in note 9.2.3 “Related parties” to the condensed consolidated financial statements as of 31 December 2021.

Furthermore, in accordance with Article L. 225-37-4, 2 of the French Commercial Code, the Corporate Governance report (which will be included in Chapter 2 of the 2021 Universal Registration Document) mentions two agreements covered by the provisions of Article L. 225-38 signed in 2021 and submitted to the Annual General Meeting for approval.

The statutory Auditors' Special Report dated 28th March 2022, as incorporated in the 2021 Universal Registration Document in Chapter 8, “Special report by the statutory auditors on regulated agreements”, informs you of the signing of these two agreements covered by Article L. 225-38 of the French Commercial Code, describes their essential features and terms, and also recalls the presence of two agreements previously approved in previous financial years, the execution of which continued during the financial years 2021.

4.5.2 Main risks and internal control

4.5.2.1 Main risks

In accordance with Article L. 225-100-1, paragraphs 3 and 4, of the French Commercial Code, a description of the main risks and uncertainties facing the Company is presented in Chapter 5 of this 2021 Universal Registration Document (URD).

Furthermore, information on financial risks arising from climate change and a presentation of the measures the Company is taking (CSR issues, Corporate Social Responsibility) to mitigate these by applying a low-carbon strategy are set out in Chapter 3 of this 2021 Universal Registration Document (URD).

As its primary function is asset management, essentially managing assets on behalf of third parties, Amundi is not directly exposed to the risks associated with climate change.

4.5.2.2 Internal control

The main features of the internal control and risk management procedures put in place by the Company relating to the preparation and processing of accounting and financial information are presented in Chapter 5 of this 2021 Universal Registration Document (URD).

4.6 RECENT EVENTS AND OUTLOOK

2021 saw several strategic initiatives achieved.

4.6.1 Acquisition of Lyxor

On 31 December 2021, Amundi completed the acquisition of Lyxor for €825 million.

As a result of this value-creating transaction, Amundi has become the European leader in ETFs, with a combined market share of 14%(1), **and complements its active management offering**, particularly in the area of liquid alternative assets, as well as in consultancy and OCIO(2).

In an index-based management market where size is of vital importance, the new combined amount of assets managed by Amundi's passive platform (€310 billion at the end of 2021) is a major advantage. Building on these foundations and given its growth prospects in the passive management market, **Amundi announced that it was aiming to achieve significant growth (+50%) in its assets under passive management, with a target of €420 billion by the end of 2025(3).**

The beginning of January 2022 saw the launch of the integration phase, with team mergers. Its implementation (IT migration, legal mergers, etc.) is expected to be completed quickly, during the second and third quarters of 2022.

The synergies generated by this integration will be in line with those announced in April 2021:

- full-year pre-tax cost synergies are expected to be €60 million from 2024;
- full-year revenue synergies are expected to reach €30 million in 2025.

Given the high potential for synergies, this transaction will create significant value:

- an acquisition price representing a P/E 2021e multiple of ~9x(4) (with cost synergies alone);
- a Return on Investment of more than 10% over three years (with cost synergies alone).

Lyxor - key figures

Lyxor had €148 billion of assets at the end of 2021, broken down as follows:

- €101 billion in ETFs; Europe's 3rd largest player with a market share of 7.1%(5);
- €46 billion under active management, including €25 billion in liquid alternative assets;
- 62% of assets are in Retail and 38% are with Institutional clients.

Solid inflows of +€12.1 billion in 2021:

- +€8.3 billion in ETFs;
- +€2.4 billion under liquid alternative management;
- +€1.4 billion under conventional active management.

Lyxor - normalised(6) key figures for 2021:

- €216 million in revenues, including €203 million in management fees;
- a normalised cost-to-income ratio of 72%;
- normalised net income of €42 million.

4.6.2 Successful development of Amundi Technology

The ramp-up of Amundi Technology continued (with 39 clients at the end of 2021, 15 of them new). A particularly clear illustration of this was the selection of Alto Investment by Malakoff Humanis (€54 billion in assets) and AG2R (€120 billion in assets). The ALTO(7) range was expanded with the addition of two modules (ESG and Asset Servicing).

The increasingly diverse nature and international appeal of the offering were further illustrated by the contract secured with Bank of New York Mellon, which chose the ALTO Asset Servicing offering (the latest innovation in the ALTO range, with the ALTO Sustainability ESG module) for the global management of its "depositary control" activity, becoming the third client in two years, after Caceis and SGSS.

Amundi Technology's income totalled €36 million over 12 months and is growing strongly.

(1) Source: Amundi, Lyxor, ETFGI at end of December 2021.
(2) OCIO: Outsourced Chief Investment Officer.
(3) Objective announced on 4 January 2022 based on combined assets of €282 billion at the end of September 2021.
(4) Acquisition price: €755 million excluding excess capital.
(5) Source: ETFGI December 2021.
(6) Normalisation: related to -€3 million in one-off costs before tax linked to the acquisition by Amundi. Net accounting income was €40 million.
(7) Amundi Leading Technologies & Operations.

4.6.3 ESG objectives for 2018–2021 exceeded and announcement of new ESG objectives for 2025

In ESG, **Amundi confirmed its position as European market leader, with €847 billion[1] in assets under management at the end of 2021**. More than €780 billion of this amount falls within the remit of Articles 8 & 9 of the SFDR regulation[2]. Inflows amounted to +€36.5 billion[3]. When the 2018–2021 ESG strategic plan ended, all commitments had been fulfilled.

On 8 December 2021, Amundi presented **its new ESG Plan, "Ambition 2025"**, which aims to further strengthen its commitments, both through the savings and investment solutions it offers its clients and through the way it engages with companies. To ensure it stays on track, Amundi will also use ESG objectives to calculate the compensation of its key executives and present its entire climate strategy to its shareholders.

4.6.4 Planned IPO of SBI Funds Management

Having reviewed State Bank of India's proposal (SBI) to explore the possibility of an IPO of SBI Funds Management Private Limited (SBI FM), in December 2021 Amundi announced its support for this initiative and its intention to sell approximately 4% of SBI FM's share capital in connection with this IPO. SBI FMPL is currently owned by SBI (62.6%), Amundi (36.78%) and its employees (0.6%).

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

4.6.5 Covid-19

The Covid-19 epidemic in 2020 was a severe and unique crisis that demonstrated the robust nature of Amundi's business model. The main financial impact came from the sensitivity of the managed assets to the fall in the financial markets (equity, rates, etc.), with the resultant effect on their valuation and on net asset management revenues; the fall in the financial markets in 2020 also had a negative impact on the financial results.

In 2021, the financial markets bounced back strongly. Nevertheless, the scale and duration of this crisis remain difficult to predict.

This section was updated taking into account the situation in Russia and Ukraine, following the closure of the financial statements on 9 February 2022.

4.6.6 Russia/Ukraine crisis

At the end of February 2022, tensions between Russia and Ukraine escalated into armed conflict, a crisis that resulted in a fall in the equity markets and an increase in volatility. Amundi was swift to adapt its operating procedures, adopting a prudent investment policy, in particular. Amundi's exposure to the Russian and Ukrainian markets is very limited.

The scale and duration of this crisis are difficult to predict. For Amundi, the main financial impact could come from the sensitivity of the managed assets to the fall in the global financial markets, with the resultant effect on their valuation and on net asset management revenues. The increased uncertainty could also affect clients' risk appetite and thus Amundi's inflows.

4.6.7 Appointment of a Deputy CEO

On March 30th 2022, Amundi announced the appointment of Nicolas Calcoen as Deputy CEO in charge of Strategy, Finance and Control Department. Other appointments have been announced. Those appointments took effect on April 1st. Please refer to Amundi Press Release of March 30th 2022.

(1) *Excluding Lyxor. See glossary*
(2) *The Sustainable Financial Disclosure Regulation (SFDR), a new European regulation that requires managers to classify their European assets according to the degree to which they integrate ESG criteria.*
(3) *Net inflows excluding treasury products and excluding insurance companies CA Assurances and Sogecap.*

4.7 ANALYSIS OF THE RESULTS OF AMUNDI (PARENT COMPANY)

In 2021, net banking income for Amundi (parent company) was €955 million compared to €348 million in 2020, an increase of €607 million.

It is mainly composed of:

- securities income of €948 million in dividends received from Amundi subsidiaries;
- income of +€31 million from investment and trading portfolios, offset by the interest margin of -€31 million.

General operating expenses totalled €41 million in 2021, stable compared to 2020.

In view of these items, gross operating income was €914 million in 2021, up by €608 million compared to 2020. This can be explained firstly by an improvement in income from equity investments in the order of €580 million (including €499 million in dividend payments) and secondly, by a reduction in the order of €27 million in losses incurred on disposals of investment securities and similar.

Pre-tax income on ordinary activities was €915 million.

As part of its tax consolidation agreement, Amundi recorded a net income tax charge of €5 million.

In total, Amundi's net income for the period was a profit of €920 million in 2021, compared with a profit of €324 million in 2020.

Amundi (parent company) five-year results

Type of indicator	31/12/2017	31/12/2018	31/12/2019	31/12/2020	31/12/2021
Share capital at the end of the financial year *(in €)*	503,776,405	504,260,885	505,408,263	506,464,883	507,686,628
Shares issued	201,510,562	201,704,354	202,163,305	202,585,953	203,074,651
TRANSACTIONS AND INCOME IN THE FINANCIAL YEAR *(in € thousand)*					
Net revenues	150,895	481,789	621,783	348,261	955,084
Income before tax, depreciation, amortisation and provisions	135,802	459,973	570,764	306,678	914,916
Income tax charge	988	27,783	(3,380)	17,298	5,543
Earnings after tax, depreciation, amortisation and provisions	136,779	487,745	567,445	323,976	920,451
Amount of profit distributed	503,601	579,365		587,499	832,606
PER SHARE DATA *(in €)*					
Income after tax, but before depreciation, amortisation and provisions	0.68	2.42	2.81	1.6	4.53
Earnings after tax, depreciation, amortisation and provisions	0.68	2.42	2.81	1.6	4.53
Dividend per share	2.5	2.9	(1)	2.9	4.1
EMPLOYEES					
Average headcount	11	12	12	9	9
Payroll during the year *(in € thousand)*	1,754	3,390	1,751	2,946	4,495
Employee benefits and social contributions paid during the financial year (social charges and taxes) *(in € thousand)*	863	1,445	451	566	1,704

(1) In accordance with the recommendations published by the European Central Bank, Amundi announced on 1 April 2020 its decision not to submit the dividend payout for the 2019 financial year to its Annual General Meeting of 12 May 2020.

4.8 INFORMATION ON PAYMENT PERIODS FOR SUPPLIERS AND CLIENTS (PARENT COMPANY)

Past due invoices received or issued and due but unpaid as of the reporting date (Table pursuant to I in Article D. 441-6).

	Article D. 441 I.-1: Invoices received and due but unpaid as of the reporting date						**Article D. 441 I.-2: Invoices issued and due but unpaid as of the reporting date**					
(in € thousand)	**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	1	1	1	3	28	34			4		1	5
Total amount of the invoices concerned excluding or including taxes or VAT	0	0	(3)	3	2,165	2,165			1,075		157	1,232
Percentage of total purchases for the financial year	0.0%	0.0%	0.0%	0.0%	8.5%	8.5%						
Percentage of revenue for the financial year									3.5%		0.5%	4.1%
(B) INVOICES EXCLUDED FROM A RELATING TO DISPUTED OR UNRECOGNISED AMOUNTS DUE AND RECEIVABLES												
Number of excluded invoices						0						0
Amount of excluded invoices												
(C) BENCHMARK PAYMENT PERIODS USED												
Payment periods used to calculate late payment						> 30 days						> 30 days

This information does not include banking transactions and related transactions which are outside the scope of the information to be produced.