

## 7.1 ANNUAL FINANCIAL STATEMENTS

### Balance sheet as of 31 December 2019

#### Assets

<i>(in € thousands)</i>	Notes	31/12/2019	31/12/2018
<b>INTERBANK TRANSACTIONS AND SIMILAR ITEMS</b>		<b>1,355,579</b>	<b>1,060,476</b>
Cash, central banks			
Treasury bills and similar securities	5		
Loans and receivables due from credit institutions	3	1,355,579	1,060,476
Receivables due from customers	4	219,600	195,150
<b>SECURITIES TRANSACTIONS</b>		<b>2,373,506</b>	<b>1,785,069</b>
<b>BONDS AND OTHER FIXED-INCOME SECURITIES</b>	<b>5</b>	<b>70,900</b>	<b>62,710</b>
Equities and other variable-income securities	5	2,302,606	1,722,359
<b>FIXED ASSETS</b>		<b>6,073,593</b>	<b>6,085,542</b>
Equity investments and other long-term investments	6-7	176,884	188,809
Shares in affiliated undertakings	6-7	5,896,699	5,896,718
Intangible assets	7		
Property, plant and equipment	7	9	15
<b>UNPAID SHARE CAPITAL</b>			
<b>TREASURY SHARES</b>	<b>8</b>	<b>78,832</b>	<b>39,893</b>
<b>ACCRUALS AND SUNDRY ASSETS</b>		<b>487,092</b>	<b>431,786</b>
Other assets	9	412,597	389,064
Accruals	9	74,494	42,721
<b>TOTAL ASSETS</b>		<b>10,588,202</b>	<b>9,597,915</b>

## Liabilities

<i>(in € thousands)</i>	Notes	31/12/2019	31/12/2018
<b>INTERBANK TRANSACTIONS AND SIMILAR ITEMS</b>		1,339,532	1,255,573
Central banks			
Due to credit institutions	11	1,339,532	1,255,573
<b>AMOUNTS DUE TO CUSTOMERS</b>	12	3,523,917	2,786,004
<b>DEBT SECURITIES</b>	13	152,622	78,420
<b>ACCRUALS AND SUNDRY LIABILITIES</b>		459,090	375,139
Other liabilities	14	417,392	366,196
Accruals	14	41,699	8,943
<b>PROVISIONS AND SUBORDINATED DEBT</b>		346,369	343,479
Provisions	15-16-17	42,527	39,653
Subordinated debt	19	303,842	303,826
<b>FUND FOR GENERAL BANKING RISKS (FGBR)</b>	18	37,149	37,149
<b>EQUITY EXCLUDING FGBR:</b>	20	4,729,522	4,722,152
Share capital		505,408	504,261
Share premiums		2,501,654	2,483,626
Reserves		62,471	62,356
Revaluation adjustment			
Regulated provisions and investment subsidies			
Carried forward		1,092,544	1,184,164
Net income awaiting approval/interim dividend			
Net income for the financial year		567,445	487,745
<b>TOTAL LIABILITIES</b>		<b>10,588,202</b>	<b>9,597,915</b>

## Off balance sheet

<i>(in € thousands)</i>	Notes	31/12/2019	31/12/2018
<b>Commitments given</b>			
Financing commitments	26		
Guarantee commitments	26	2,177,007	1,731,957
Commitments on securities	26		

<i>(in € thousands)</i>		31/12/2019	31/12/2018
<b>Commitments received</b>			
Financing commitments	26	1,750,000	1,750,000
Guarantee commitments	26		
Commitments on securities	26		

## Profit and loss account as of 31 December 2019

<i>(in € thousands)</i>	<b>Notes</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
Interest and similar income	28-29	49,721	29,275
Interest and similar expenses	28	(58,654)	(35,811)
Income from variable-income securities	29	609,037	550,508
Commissions and fees (proceeds)	30	6,009	4,269
Commissions and fees (expenses)	30	(1,597)	(554)
Net gains (losses) on trading book transactions	31	10,044	(1,955)
Net gains (losses) on short-term investment portfolio and similar	32	7,132	(63,503)
Other income from banking operations	33	14,476	11,592
Other expenses from banking operations	33	(14,385)	(12,032)
<b>NET BANKING INCOME</b>		<b>621,783</b>	<b>481,789</b>
General operating expenses	34	(51,019)	(21,749)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		(5)	(11)
<b>GROSS OPERATING INCOME</b>		<b>570,759</b>	<b>460,029</b>
Cost of risk	35	67	(67)
<b>OPERATING INCOME</b>		<b>570,826</b>	<b>459,962</b>
Net income on fixed assets	36		
<b>PRE-TAX INCOME ON ORDINARY ACTIVITIES</b>		<b>570,826</b>	<b>459,963</b>
Net extraordinary income		(1)	
Income tax charge	37	(3,380)	27,783
Net increases/reversals to FGBR and regulated provisions			
<b>NET INCOME</b>		<b>567,445</b>	<b>487,745</b>

## 6.2. CONSOLIDATED FINANCIAL STATEMENTS

### 6.2.1. Income statement

<i>(in € thousands)</i>	Notes	2019	2018
Revenue from commissions and other income from customer activities (a)		4,725,218	4,803,695
Commissions and other expenses from customer activities (b)		(2,120,293)	(2,230,051)
Net gains or losses on financial instruments at fair value through profit or loss on customer activities (c)		58,352	32,121
Interest and similar income (d)		16,680	6,976
Interest and similar expenses (e)		(30,052)	(21,740)
Net gains or losses on financial instruments at fair value through profit or loss (f)		49,003	(16,440)
Net gains or losses on financial assets at fair value through equity (g)		7,038	6,440
Income from other activities (i)		20,823	16,779
Expenses from other activities (j)		(90,602)	(87,344)
<b>Net revenues from commissions and other customer activities (a)+(b)+(c)</b>	4.1	<b>2,663,276</b>	<b>2,605,765</b>
<b>Net financial income (d)+(e)+(f)+(g)</b>	4.2	<b>42,669</b>	<b>(24,764)</b>
<b>Other net income (i)+(j)</b>	4.3	<b>(69,779)</b>	<b>(70,565)</b>
<b>NET REVENUES</b>		<b>2,636,166</b>	<b>2,510,436</b>
General operating expenses	4.4	(1,376,773)	(1,387,201)
<b>GROSS OPERATING INCOME</b>		<b>1,259,393</b>	<b>1,123,236</b>
Cost of risk	4.5	(10,696)	(11,249)
Share of net income of equity-accounted entities		46,342	49,745
Net gains or losses on other assets	4.6	(11)	(114)
Change in the value of goodwill		-	-
<b>INCOME BEFORE TAX</b>		<b>1,295,028</b>	<b>1,161,618</b>
Income tax charge	4.7	(335,706)	(306,792)
<b>NET INCOME FOR THE FINANCIAL YEAR</b>		<b>959,322</b>	<b>854,827</b>
Non-controlling interests		(40)	177
<b>NET INCOME – GROUP SHARE</b>		<b>959,282</b>	<b>855,004</b>

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	2019	2018
<b>NET INCOME</b>			<b>959,322</b>	<b>854,827</b>
■ Actuarial gains and losses on post-employment benefits			(8,020)	1,024
■ Gains and losses on financial liabilities attributable to changes in own credit risk				
■ Gains and losses on equity instruments recognised in non-recyclable equity through profit or loss		5,5	(11,943)	(38,657)
■ Gains and losses on non-current assets held for sale				
Pre-tax gains and losses recognised directly in non-recyclable equity, excluding equity-accounted entities			(19,963)	(37,633)
Pre-tax gains and losses recognised directly in non-recyclable equity of equity-accounted entities				
Taxes on gains and losses recognised directly in non-recyclable equity, excluding equity-accounted entities			2,292	(226)
Taxes on gains and losses recognised directly in non-recyclable equity of equity-accounted entities				
<b>Net gains and losses recognised directly in equity and not recyclable at a later date</b>			<b>(17,671)</b>	<b>(37,860)</b>
■ Translation gains and losses (a)			23,701	24,298
■ Gains and losses on debt instruments recognised under recyclable equity		5,5	(4)	(1,845)
■ Gains and losses on hedging derivative instruments (b)				
■ Gains and losses on non-current assets held for sale (c)				
Pre-tax gains and losses recognised directly in recyclable equity, excluding equity-accounted entities (a)+(b)+(c)			23,697	22,453
Taxes on gains and losses recognised directly in recyclable equity, excluding equity-accounted companies			3	612
Pre-tax gains and losses recognised directly in recyclable equity of equity-accounted entities			875	(7,642)
Taxes on gains and losses recognised directly in recyclable equity of equity-accounted entities				
<b>Net gains and losses recognised directly in recyclable capital as income at a later date</b>			<b>24,576</b>	<b>15,423</b>
<b>NET GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY</b>			<b>6,905</b>	<b>(22,436)</b>
<b>TOTAL NET INCOME INCLUDING NET GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY</b>			<b>966,227</b>	<b>832,391</b>
of which, Group share			966,203	832,571
of which, non-controlling interests			24	(180)

### 6.2.3. Assets

<i>(in € thousands)</i>	Notes	31/12/2019	31/12/2018
Cash and central banks	5.1	38	40
Financial assets at fair value through profit or loss	5.2	13,799,697	10,451,477
Financial assets at fair value through equity	5.5	610,404	485,951
Financial assets at amortised cost	5.6	1,185,449	1,005,180
Current and deferred tax assets	5.9	180,306	194,264
Accruals, prepayments and sundry assets	5.10	1,807,150	2,254,128
Investments in equity-accounted entities	5.11	275,269	263,812
Property, plant and equipment	5.12	206,215	42,624
Intangible assets	5.12	485,098	544,228
Goodwill	5.13	5,711,745	5,695,486
<b>TOTAL ASSETS</b>		<b>24,261,371</b>	<b>20,937,188</b>

### 6.2.4. Balance sheet equity and liabilities

<i>(in € thousands)</i>	Notes	31/12/2019	31/12/2018
Financial liabilities at fair value through profit or loss	5.3.	11,081,207	8,213,323
Financial liabilities at amortised cost	5.7.	816,724	1,313,655
Current and deferred tax liabilities	5.9.	234,097	281,109
Accruals, deferred income and sundry liabilities	5.10.	2,766,487	2,088,322
Provisions	5.14.	158,722	208,723
Subordinated debt	5.8.	303,842	303,826
<b>TOTAL DEBT</b>		<b>15,361,079</b>	<b>12,408,958</b>
<b>Equity Group share</b>		<b>8,899,984</b>	<b>8,528,124</b>
Share capital and reserves	5.15	2,928,348	2,946,566
Consolidated reserves		5,058,377	4,779,498
Gains and losses recognised directly in equity		(46,023)	(52,944)
Net income for the period		959,282	855,004
<b>Non-controlling interests</b>		<b>308</b>	<b>107</b>
<b>TOTAL EQUITY</b>		<b>8,900,292</b>	<b>8,528,230</b>
<b>TOTAL LIABILITIES</b>		<b>24,261,371</b>	<b>20,937,188</b>

## 6.2.5. Statement of changes in equity

	Share capital and reserves				Group share	
	Share capital	Consolidated premiums and reserves related to share capital	Removals of treasury shares	Total share capital and consolidated reserves	Gains and losses recognised directly in equity	
					In non-recyclable equity	In recyclable equity
<i>(in € thousands)</i>						
<b>EQUITY AS OF 1 JANUARY 2018</b>	<b>503,777</b>	<b>7,036,405</b>	<b>(1,405)</b>	<b>7,538,776</b>	<b>(13,574)</b>	<b>(3,381)</b>
Capital increase	484	9,263		9,747		
Change in treasury shares			(39,916)	(39,916)		
Dividends paid in 2018		(503,600)		(503,600)		
Effect of acquisitions and sales on non-controlling interests				-		
Changes related to share-based payments		27,716		27,716		
<b>Changes related to transactions with shareholders</b>	<b>484</b>	<b>(466,621)</b>	<b>(39,916)</b>	<b>(506,053)</b>	<b>-</b>	<b>-</b>
Change in gains and losses recognised directly in equity		1,429		1,429	(37,860)	23,065
Share of capital fluctuations of equity-accounted entities				-		(7,642)
Income, as of 31 December 2018				-		
<b>Comprehensive income as of 31 December 2018</b>	<b>-</b>	<b>1,429</b>	<b>-</b>	<b>1,429</b>	<b>(37,860)</b>	<b>15,423</b>
Other changes	-	(198)		(198)		
<b>EQUITY AS OF 31 DECEMBER 2018</b>	<b>504,261</b>	<b>7,263,124</b>	<b>(41,321)</b>	<b>7,726,064</b>	<b>(37,181)</b>	<b>(15,763)</b>
Appropriation of 2018 net income		855,004		855,004		
<b>EQUITY AS OF 1 JANUARY 2019</b>	<b>504,261</b>	<b>8,118,128</b>	<b>(41,321)</b>	<b>8,581,068</b>	<b>(37,181)</b>	<b>(15,763)</b>
Capital increase	1,147	18,143		19,290		
Change in treasury shares		(33,116)	(37,511)	(70,627)		
Dividends paid in 2019		(579,365)		(579,365)		
Effect of acquisitions and sales on non-controlling interests				-		
Changes related to share-based payments		36,311		36,311		
<b>Changes related to transactions with shareholders</b>	<b>1,147</b>	<b>(558,027)</b>	<b>(37,511)</b>	<b>(594,391)</b>	<b>-</b>	<b>-</b>
Change in gains and losses recognizer directly in equity				-	(17,655)	23,701
Share of capital fluctuations of equity-accounted entities				-		875
2019, income				-		
<b>Comprehensive income as of 31 December 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17,655)</b>	<b>24,576</b>
Other changes	-	48		48		
<b>EQUITY AS OF 31 DECEMBER 2019</b>	<b>505,408</b>	<b>7,560,149</b>	<b>(78,832)</b>	<b>7,986,725</b>	<b>(54,835)</b>	<b>8,813</b>

Non-controlling interests						Consolidated share capital
Net income	Equity Group share	Share capital consolidated reserves and income	Gains and losses recognised directly in equity		Non-controlling interests	
			In non-recyclable equity	In recyclable equity		
681,294	8,203,116	187	(32)	-	156	8,203,273
	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
(855,004)	-				-	-
0	8,528,124	139	(34)	-	107	8,528,230
	19,290				-	19,290
	(70,627)				-	(70,627)
	(579,365)	177			177	(579,188)
	-				-	-
	36,311				-	36,311
-	(594,391)	177	-	-	177	(594,214)
	6,046		(16)		(16)	6,030
	875				-	875
959,282	959,282	40			40	959,322
959,282	966,203	40	(16)		24	966,227
	48				-	48
959,282	8,899,984	358	(50)	-	308	8,900,292



## 6.2.6. Cash flow statement

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

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

**Investing activities** include acquisitions and disposals of investments in consolidated and non-consolidated companies,

along with purchases of property, plant and equipment and intangible assets. Non-consolidated equity interests included in this section are accounted for as "Available-for-sale financial assets".

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

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

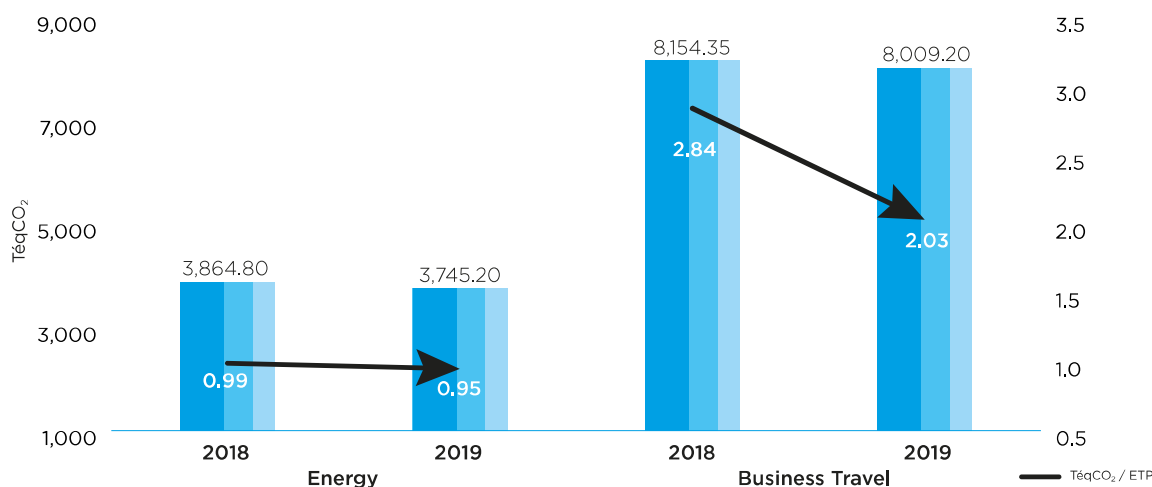
(in € thousands)	Notes	2019	2018
<b>PRE-TAX INCOME</b>		<b>1,295,028</b>	<b>1,161,618</b>
Net depreciation and amortisation and provisions in relation to tangible and intangible assets	4.4	78,070	27,511
Goodwill impairment			
Net write-downs and provisions		(34,376)	(28,824)
Share of income of equity-accounted companies		(46,342)	(49,745)
Net income from investment activities		11	114
Net income from financing activities		7,993	5,886
Other movements		(35,416)	54,536
<b>Total non-monetary items included in net income before tax and other adjustments</b>		<b>(30,061)</b>	<b>9,478</b>
Changes in interbank items		(402,541)	809,088
Changes in other financial asset and liability transactions <sup>(1)</sup>		(613,300)	(363,928)
Changes in non-financial asset and liability transactions <sup>(2)</sup>		1,103,190	(739,303)
Dividends from equity-accounted companies	5.11	18,494	15,809
Tax paid	4.7	(388,776)	(298,820)
<b>Net decrease (increase) in assets and liabilities from operating activities</b>		<b>(282,933)</b>	<b>(577,154)</b>
<b>NET CHANGES IN CASH FLOW FROM OPERATING ACTIVITIES (A)</b>		<b>982,035</b>	<b>593,943</b>
Changes in participating interests		10,281	(56,310)
Changes in tangible and intangible assets		(45,336)	(18,743)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES (B)</b>		<b>(35,055)</b>	<b>(75,053)</b>
Cash flow from or intended for shareholders		(630,525)	(533,635)
Other net cash flows from financing activities		(124,055)	(76,413)
<b>NET CASH FLOW FROM FINANCING TRANSACTIONS (C)<sup>(3)</sup></b>		<b>(754,579)</b>	<b>(610,048)</b>
Impact of exchange rate changes and other changes on cash (d)		11,427	10,222
<b>CHANGES IN NET CASH (A + B + C + D)</b>		<b>203,829</b>	<b>(80,936)</b>
<b>CASH AT BEGINNING OF THE PERIOD</b>		<b>928,674</b>	<b>1,009,610</b>
Net cash balance and central banks		40	43
Net balance of accounts, demand loans and borrowings with credit institutions		928,634	1,009,567
<b>CASH AT END OF THE PERIOD</b>		<b>1,132,503</b>	<b>928,674</b>
Net cash balance and central banks		38	40
Net balance of accounts, demand loans and borrowings with credit institutions		1,132,464	928,634
<b>CHANGES IN NET CASH</b>		<b>203,829</b>	<b>(80,936)</b>

(1) Operating flows impacting financial assets and liabilities include investments and divestments 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) Financing transactions flows include the impact of the dividend payment to shareholders for the 2018 financial year as well as the partial repayment of the senior loan taken out in 2017 as part of the acquisition of Pioneer Investments.

Since 1 January 2019, they have also incorporated the decreases in lease liabilities recognised as part of applying IFRS 16.



### Energy

Since 2016, our buildings in Paris<sup>(1)</sup> have been powered using electricity from 100% renewable sources, mainly hydro-electric. Other countries also have a portion of green energy in their energy mix. This is the case for Germany. Several solar panels were installed in Italy in 2019, generating 30,000 kWh per year.

### Travel

The Amundi travel policy applicable to all its entities worldwide demonstrates its desire to reduce its CO<sub>2</sub> emissions: validation of the need to travel, prior authorisation for travel abroad, mandatory rail for journeys of under three hours, ban on taxi journeys within Paris between 8 am and 8 pm, categorisation of rental vehicles according to the number of passengers, weekly reporting of forthcoming travel to Executive Committee members. New functions were introduced within the reservation system in 2019 to better justify travel (internal (intra-group) travel or external travel for participation at a conference or client visits) and avoid trips for which a video-conference meeting would be more appropriate.

The business travel policy will pursue three objectives in 2020:

- the implementation of international coordination to ensure the proper application of the travel policy, identify good local practices and discuss the specific needs of the entities;
- the introduction of centralised reporting;
- the completion of a feasibility study on the roll-out of the Traveldoo reservation tool, allowing Amundi travel policy criteria to be applied when making reservations.

Amundi encourages its employees to reduce emissions in their commute to work. Employees are encouraged to use public transport and bicycles for their journeys into work. In France, Amundi covers 80% of public transport expenses (e.g. Navigo card or Velib card in Paris). In 2019, Amundi-Pioneer in the United States bolstered its commuter travel plan by incorporating a wider range of alternative modes of transport (commuter trains, regional trains, etc.). Several electrical charging points have been installed in Amundi car parks, including four at the registered office at the beginning of 2019. Amundi Paris also launched a carpooling platform in December 2019. When selecting company cars, Amundi favours the use of fuel-efficient and hybrid vehicles. In November 2019, Germany added its first electric car to its fleet of company vehicles.

Most entities have teleworking arrangements in place to reduce commuting. In Italy, a Smart Work pilot project involving 42 employees (15% of the workforce) is under way. This offers employees greater flexibility in the selection of their workplace and the management of their schedules.

### Amundi carbon offsetting

Amundi joined the Crédit Agricole S.A.<sup>(2)</sup> carbon offset scheme in 2019 through the Livelihoods fund, offsetting its CO<sub>2</sub> emissions from energy and transport, i.e. 15,000 tonnes of CO<sub>2</sub>. This fund finances agroforestry, rural energy and ecosystem restoration projects.

(1) Excluding data centres.

(2) See Chapter 2 of the 2019 Crédit Agricole S.A. Universal Registration Document.

## 3.5 METHODOLOGY AND INDICATORS

### 3.5.1 Methodological note

#### HR data

**The HR reporting scope** covers the entire Amundi Group at 31 December 2019 (excluding joint ventures). The workforce of the consolidated and non-consolidated Amundi Group entities is taken into account (excluding joint ventures).

**Certain HR indicators** are only available for France. This data is identified as such in the table of indicators. The scope for France includes the following entities: Amundi SA, Amundi Asset Management, CPR Asset Management, Étoile Gestion, Société Générale Gestion, BFT Investment Managers, Amundi Finances, Amundi Immobilier, Amundi Intermédiation, Amundi Private Equity Funds, Amundi IT Services, Amundi ESR and Amundi *Transition Énergétique*<sup>(1)</sup>.

**Presentation of HR data:** unless otherwise indicated, the population covered is that of “active” employees, presented as full-time equivalent (FTE). The concept of “active employees” implies a legal bond 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

The environmental reporting scope covers France and subsidiaries with more than 100 employees, except for KBI Global Investors, a management company acquired by Amundi in 2016. The 2019 scope includes the following countries: France, the United Kingdom, Italy, Ireland, Austria, Germany, Japan and the United States. The 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.

**Presentation of environmental data:** As 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

Amundi has developed a specific analysis method for impact companies, assessing the continuity of the company's economic model and its impact objectives as well as its results. This analysis is based on a sector-wide approach comprising quantitative and qualitative criteria as well as criteria specific to the company. For each company, Amundi measures the number of beneficiaries and then calculates its impact ratio: this is the number of beneficiaries created per €10,000 invested. Based on Amundi's investment in the company, this ratio allows reporting of the aggregated total number of beneficiaries, per impact theme, generated since the fund was created in 2012. The impact analysis is updated annually. Amundi does not calculate the impact of the Danone Communities and Amundi AFD *Avenir Durables* funds. The scope of impacts covers 94.86% of total assets under management.

#### Methodology used for the 2019 carbon footprint

Amundi's carbon footprint was calculated according to the Greenhouse Gas (GHG) Protocol. Amundi has chosen to calculate its carbon emissions on scopes 1, 2 and 3, which correspond to the entity's direct and indirect emissions. The data was collected over 2018 for all Amundi Group entities with more than 100 employees, *i.e.* a coverage rate of 89.2%. The data was extrapolated for entities with fewer than 100 employees.

#### Methodology and scope for calculating the carbon footprint of portfolios under management

Amundi has retained the provider Trucost for carbon emission data (expressed in tonnes of CO<sub>2</sub>) from private issuers. This data relates to scopes 1 and 2 and a part of scope 3 corresponding to indirect emissions related to the first-tier suppliers (“Scope 3 upstream first tier”). The data received is then incorporated into the Amundi information system and assigned to an issuer. For companies for which we have not received a value from Trucost, these are supplemented by inherited data from the parent company, where applicable.

<sup>(1)</sup> Amundi *Transition Énergétique* is not part of the scope of financial consolidation.

The calculation of a portfolio's carbon footprint initially consists of calculating the amount of rateable assets in the portfolio. Non-rated and non-rateable securities (securities issued by

States, derivatives, UCITS-type funds, etc.) are excluded. The amount of rated assets is then determined, *i.e.* the amount of the assets for which we have Trucost data.

Two indicators are calculated:

#### Carbon emissions in million euros invested

This indicator is used to quantify the carbon emissions resulting from the investment in the portfolio. It is calculated according to the following formula:

$$\text{Portfolio's emissions} \left( \frac{\text{tCO}_2}{\text{€m invested}} \right) = \frac{\sum_i^n \text{Company's emissions in the portfolio}_i (\text{tCO}_2)}{\text{Rated portfolio assets (€m)}}$$

With:

$$\text{Company's emissions in the portfolio}_i (\text{tCO}_2) = \text{Participation share}_i (\%) \times \text{Company's emissions}_i (\text{tCO}_2)$$

And

$$\text{Participation share}_i (\%) = \frac{\text{Amount invested in a company (shares or debt)}_i (\text{€m})}{\text{Company value (shares+debt)}_i (\text{€m})}$$

#### Carbon emissions in million euros of turnover

This indicator is used to quantify the carbon intensity of the value chain of issuers in the portfolio. It is equal to the weighted sum of the carbon footprints of the securities of which it is comprised, *i.e.*:

$$\text{Portfolio emissions (tCO}_2/\text{€m of revenue)} = \sum_i^n \text{Company's relative overall weighting in the portfolio}_i (\%) \times \frac{\text{Company's emissions}_i (\text{tCO}_2)}{\text{Revenue}_i (\text{€m})}$$

2019 scope: Entire Amundi Group (excluding joint ventures, property and private equity).

#### Methodology for calculating the coal exposure of portfolios under management

Based on data supplied by Trucost, an ESG supplier specialising in environmental data, Amundi identifies the issuers having activity (electricity generation, extraction) linked to thermal coal.

In the absence of Trucost data, a rate of 0% is allocated to companies not identified as being linked to coal (as a result of

the sector in particular) or otherwise the percentage declared by the company (public report, website or direct information).

For each of the issuers identified, its coal exposure (*i.e.* the percentage of revenue from coal-related activities) is multiplied by the amount invested in the company in question. The sum of these amounts is then compared to the total amount of the Group's investments:

$$\frac{\sum_i^n \text{Company's exposure}_i (\%) \times \text{X\% of coal in the sales revenue of the company}_i}{\text{Total amount of Amundi Group investments}}$$

Scope applied in 2019: Entire Amundi Group (excluding joint ventures, property and private equity).

### 3.5.2 Table of indicators

Employment indicators		Unit	2019	2018	2017
EMPLOYMENT					
Headcount	Number of employees	Number	4,506	4,417	4,734
	Number of employees	FTE	4,428.5	4,339.9	4,649.6
	Number of employees in France	FTE	2,161.7	2,094.3	2,126.6
	Number of employees internationally	FTE	2,266.8	2,245.6	2,523.0
	Number of employees in joint ventures	FTE	1,546.2	1,141.3	1,230.3
	Proportion of external personnel on the Amundi <sup>(1)</sup> staff	%	6.2	9.2	10.06
Breakdown by major business line	Investment Management	FTE	1,046.4	-	-
	Sales and Marketing	FTE	975.7	-	-
	Support and Control functions	FTE	2,341.5	-	-
Breakdown by contract type	Number of permanent staff	FTE	4,388.1	4,287.3	4,564.2
	Percentage of permanent staff	%	99.1	98.8	98.2
	Number of managers*●	FTE	2,072.2	2,003.0	2,005.7
	Number of non-managers*●	FTE	89.5	94.3	107.9
Age	Average age	Years	44	44	44
Years of service	Average years of service●	Years	12	13	13
Breakdown by gender**	Women	Number	1,893	1,874	1,929.0
	Men	Number	2,613	2,543	2,720.6
	Proportion of women	%	42.0	42.4	41.5
	Proportion of men	%	58.0	57.6	58.5
Breakdown by geographical area	Europe	FTE	3,587.8	3,517.5	3,722.0
	Asia	FTE	338.7	323.6	388.1
	Americas	FTE	501.0	488.8	528.5
Departures**●	Departures	Number	320	545	360.7
	Death	Number	3	2	2.0
	Resignations	Number	202	295	188.4
	Redundancies and dismissals	Number	33	121	50.8
	Retirement	Number	11	17	21.5
	Termination of contract	Number	28	58	32.6
	Departures to the Crédit Agricole S.A. group	Number	9	11	9
	Other	Number	34	41	92.2
Departures by geographical area**●	Europe	Number	229	342	238.7
	of which France	Number	74	74	73.9
	Asia	Number	50	118	67.0
	Americas	Number	41	85	53.0
Departure rate <sup>(2)</sup> ●	Departure rate	%	7.1	12.3	6.3
	in France	%	3.4	3.5	3.5
	international	%	10.7	20.6	12.2
Temporary absences	Temporary staff absences	Number	87	-	-
Recruitments (permanent + fixed-term contracts)**●	Recruitments (permanent + fixed-term contracts)	Number	492	417	-
	Recruitments (permanent contracts)	Number	446	354	139.5
	Proportion of permanent-contract recruitments	%	90.7	84.9	-
Permanent-contract recruitments by geographical area**●	Europe	Number	319	237	-
	of which France	Number	171	138	87.5
	Asia	Number	75	62	-
	Americas	Number	52	52	-

Employment indicators		Unit	2019	2018	2017
Transformations of short-term contracts**●	Short-term contracts converted into permanent contracts <sup>(3)</sup>	Number	104	116	-
	Contractors brought in-house	Number	66	69	-
Internal transfers●	Number of internal transfers within the Amundi Group	Number	453	481	249
Compensation*	Median annual gross salary (permanent)	€	62,000	61,000	62,000
	Average collective variable compensation per employee <sup>(4)</sup>	€	10,382	9,022	8,839
ORGANISATION OF WORKING HOURS					
Working hours <sup>(5)</sup>	Part-time employees	%	8.1	8.9	11.7
	of which women	%	89.6	89.8	92.0
	of which men	%	10.4	9.2	8.0
TRAINING <sup>(6)</sup>					
Training	Budget allocated to training	€000 (excl. tax)	2,683	-	-
	% individuals trained	%	55	-	-
	In France	%	64	60	63
	International	%	44	-	-
	Number of employees trained	Number	2,223	-	-
	In France	Number	1,418	1,272	1,351
	International	Number	805	-	-
	Number of training sessions	Number	4,193	-	-
	In France	Number	2,392	2,096	2,269
	International	Number	1,801	-	-
	Average number of training actions per employee trained	Number	1.89	-	-
	In France	Number	1.69	1.65	1.68
	International	Number	2.24	-	-
ANNUAL REVIEW					
Annual review <sup>(7)</sup>	% of assessment interviews	%	88	67.6	88.1
EMPLOYER-EMPLOYEE RELATIONS*					
Employer-employee communication	Number of employee representatives	Number	46	55	55
	Number of meetings of the ESC and its committees <sup>(8)</sup>	Number	33	32	33
	Number of agreements or amendments signed	Number	10	7	6
SAFETY/HEALTH AND ABSENTEEISM*					
Work-related accidents and occupational illnesses	Frequency rate of work-related accidents	%	5.5	5.4	6.1
	Number of work-related accidents	Number	12	6	11
	Number of work-related accidents (travel)	Number	25	25	31
	Number of occupational illnesses	Number	0	1	0
Absenteeism	Absenteeism rate due to illness●	%	2.1	3.2	1.5

Employment indicators		Unit	2019	2018	2017
NON-DISCRIMINATION					
Gender equality	Percentage of women on the Board of Directors	%	41.7	41.7	41.7
	Percentage of women on the Executive Committee	%	18.5	15.4	20.8
	Percentage of women in executive positions <sup>(9)</sup>	%	27.3	21.9	-
	Percentage of women in management positions	%	33.5	33.5	34.8
	Percentage of women in promotions to management positions	%	44.9	32.3	35.4
	Percentage of men in promotions to management positions	%	55.1	67.7	64.6
	Proportion of women in the highest paid 10%●	%	16.3	15.2	-
	Gender salary equality index*	Score out of 100	83	81	-
Disability*	Disability Employment Rate <sup>(10)</sup>	%	4.00	4.34	4.50
	Number of people with disabilities hired or integrated <sup>(11)</sup>	Number	14	12	11
	Number of employees with disabilities	Number	65	61	65
Intergenerational contracts●	Percentage of staff aged under 30 in permanent-contract recruitments	%	32.0	47.2	28.0
	Employment rate for those aged 55 years and over on permanent contracts	%	13.3	14.9	11.4
	Number of interns, work study, VIE, CIFRE and summer jobs	Number <sup>(12)</sup>	921	838	-
		Average number <sup>(13)</sup>	388.8	333.8	347.9

\* Amundi France scope.

\*\* From 2018, the data is presented in figures and no longer as FTE.

● The calculation methodology has been modified from 2019. The 2018 data was recalculated using the new methodology.

(1) External personnel: temporary workers and service providers.

(2) Departure rate: Number of departures of permanent and fixed-term employees over the year, divided by the total staff at the beginning of the year.

(3) Short-term contracts: Fixed-term and work-study contracts.

(4) Variable Collective Compensation corresponds to profit-sharing and incentives.

(5) For FY 2017, the data is presented for France, as opposed to the 2018 and 2019 data which corresponds to the Amundi Group.

(6) 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.

(7) Amundi Group scope, excluding Amundi-Pioneer in the USA.

(8) The indicator takes into account the changes in the legal framework concerning staff representation and the introduction of the ESC in 2019.

(9) Due to the merger with Pioneer Investments, no data is presented for 2017.

(10) Legal rate.

(11) The indicator includes permanent and fixed-term contracts, work-study, interns and temporary workers.

(12) 2019 flows of internship contracts longer than 2 months, apprenticeships, vocational training contracts, VIE, CIFRE and summer jobs.

(13) Average calculated over the year on the basis of staff at the end of the month (number).

Business line indicators		Unit	2019	2018	2017
Total assets under management		€ billion	1,653.4	1,425.1	1,426.1
Assets under management after exclusion of G-rated issuers		€ billion	1,564.8	1,358.4	-
Responsible investment	Assets under management	€ billion	323.5	275.8	-
	ESG funds and mandates	€ billion	310.9	267.3	-
	Environment	€ billion	12.3	8.2	-
	Strictly social enterprise funds	€ billion	0.3	0.2	-
ESG analysis	Issuers rated on ESG criteria	Number	> 8,000	> 5,000	> 5,000
	Number of issuers excluded	Number	319	214	256
	Non-financial specialists	Number	20	18	17
	Issuers encountered	Number	262	259	192
Solidarity-based savings		€ billion	3.3	2.8	2.3
Breakdown of social investments by topic	AuM	€ billion	3.3	2.8	2.3
	Employment	%	33.0	36.4	35.7
	Housing	%	37.0	36.3	31.3
	Education	%	4.0	0.7	0.1
	Health	%	15.0	14.0	16.4
	Environment	%	5.0	4.05	4.6
	International solidarity	%	6.0	7.9	10.7
	Service to non-profits	%	1.2	0.5	0.4
	Over-indebtedness	%	0.4	0	0.3
	Farmers funded	%	1.2	0	0.4
Impacts of solidarity investments	Employment	Number of beneficiaries	32,372	16,341	12,868
	Housing	Number of beneficiaries	8,469	2,315	1,469
	Education	Number of beneficiaries	46,749	4,186	153
	Health	Number of beneficiaries	168,612	19,280	13,044
		Hectares	594	2,283	806
	Environment	Tonnes of recycled waste	137,345	17,674	14,147
	International solidarity (microcredit)	Number of beneficiaries	228,307	29,948	37,772
	Service to non-profits	Number of beneficiaries	1,828	360	118
	Over-indebtedness	Number of beneficiaries	312,620	3,477	3,687
	Farmers funded	Number of beneficiaries	1,358	34	204
Carbon footprint of the portfolios	Assets subject to a carbon footprint calculation	€ billion	545.0	479.1	463.8
	Carbon emissions in millions of euros of revenue	tCO <sub>2</sub> eq	254.2	231.3	226.5
	Carbon emissions in millions of euros invested	tCO <sub>2</sub> eq	149.1	151.4	180.5
Portfolios' exposure to thermal coal	Weighted exposure of portfolios	€ billion	1.006	-	-
	Proportion of portfolios exposed to thermal coal	%	0.09	-	-



Business line indicators		Unit	2019	2018	2017
Voting policy <sup>(1)</sup>	Commitment actions with investee companies ahead of AGMs	Number	164	202	233
	AGMs dealt with	Number	3,492	2,960	2,540
	Resolutions dealt with	Number	41,429	35,285	32,443
	Number of resolutions presented by shareholders and supported by Amundi on corporate governance	Number	490	520	265
	Number of resolutions presented by shareholders and supported by Amundi on social/societal issues and human rights	Number	28	21	121
	Number of resolutions presented by shareholders and supported by Amundi on environmental matters	Number	33	48	54
	Total number of resolutions voted against	Number	5,332	5,307	4,893
	Number of resolutions voted against on Board balance	Number	2,294	2,162	1,882
	Number of resolutions voted against on equity transactions (including poison pills)	Number	1,772	1,177	932
	Number of resolutions voted against on compensation of Senior Management	Number	1,121	1,408	1,307
	Number of Compliance Committees	Number	8	9	11
Ethics and Compliance	Number of complaints	Number	2,104	3,357	4,064
	Number of employees trained in anti-money laundering procedures (AML-CFT) <sup>(2)</sup>	Number	294	3,632	204
	Number of employees trained in internal/external anti-fraud procedures <sup>(2)</sup>	Number	3,531	3,706	223
	Number of employees trained in international sanctions procedures	Number	4,207	-	-
	Total complaints	Number	48	45	20
Corporate and Institutional Customer Service	of which contesting a trade	Number	7	11	10
	of which concerning the processing time of a trade	Number	2	6	4
	of which concerning the quality of offer	Number	39	27	6
	of which pricing	Number	0	1	0
Risk management <sup>(3)</sup>	Percentage of managed portfolios that are subject to a risk management strategy	%	98.4	98.3	99.8
Partner networks <sup>(4)</sup>	Staff specialising in networks	FTE	129.3	129.3	168.5
Business line headcount in Control departments	Business line headcount in Risk Departments	FTE	212.7	211.3	225.8
	Business line headcount in Audit Departments	FTE	39.4	37.5	42.9
	Business line headcount in Compliance Departments	FTE	100.3	99.9	108.0
	Percentage of total headcount	%	8.0	8.0	8.1
Sponsorship <sup>(5)</sup>	Amount of contributions	€000	2,337	2,433	1,101
	Purchases from sheltered sector companies	€000	532	543	540
Responsible purchasing*		Number of beneficiary units			
	Use of sheltered sector companies		24.2	26.2	25.6
	Percentage of invoices paid within 2 months	%	81	82	83

(1) Amundi Group scope, excluding Amundi-Pioneer in the USA

(2) Internal and external anti-corruption training is included within the modules on Anti-Money Laundering and Combating the Financing of Terrorism (AML-CFT). These training courses are not run every year.

(3) 2017 and 2018 data was calculated over the entire Group, with the exception of the following countries: Austria, Czech Republic, Germany, Italy and USA. In 2019, the calculation scope included all the Amundi Group countries.

(4) Historic partner networks: Crédit Agricole Regional Banks, LCL Gestion, Société Générale Gestion and Étoile Gestion.

(5) The 2017 data only covered Amundi Asset Management in France. From 2018, the Amundi Group's reference scope has been extended and includes the funding given to research chairs.

Environmental indicators		Unit	2019	Reporting scope coverage rate	2018	2017
Energy	Energy consumption	MWh	23,663.1	100%	25,037.5	22,419.9
	Proportion of green energy	%	50		47	58
	Energy consumption per employee	MWh/FTE	5.9		6.5	7.4
	CO <sub>2</sub> emissions	tCO <sub>2</sub> eq	3,745.2		3,864.8	2,674.9
	CO <sub>2</sub> emissions per employee	tCO <sub>2</sub> eq/FTE	0.95		0.99	0.88
Business travel	Train travel	km	5,283,477	87%	4,556,972	4,019,138
	CO <sub>2</sub> emissions, train travel	tCO <sub>2</sub> eq	238.1		205.3	181
	CO <sub>2</sub> emissions per employee, train travel	tCO <sub>2</sub> eq/FTE	0.06		0.06	0.07
	Air travel	km	27,786,027	100%	28,410,137	23,770,879
	CO <sub>2</sub> emissions, air travel	tCO <sub>2</sub> eq	7,771.1		7,949.0	6,837
	CO <sub>2</sub> emissions per employee, air travel	tCO <sub>2</sub> eq/FTE	1.97		2.05	2.09
Paper	Paper consumption	Tonnes	379	100%	337 <sup>(1)</sup>	248.7
	Recycled paper consumption	Tonnes	44		97 <sup>(1)</sup>	89.6
Water	Water consumption	m <sup>3</sup>	36,573	88%	36,862	38,613
	Water consumption per employee	m <sup>3</sup> /FTE	10.5		9.8	12.3
Waste	Volume of non-recyclable waste	Tonnes	85.0	85%	113.4	120.1
	Volume of recycled waste (excl. paper)	Tonnes	33.3	82%	32.0	26.6
	Volume of recycled paper	Tonnes	160.2	97%	143.8	107.1

(1) 2018 data has been adjusted to reflect that published in the 2018 CSR report.



# 4

## REVIEW OF FINANCIAL STRUCTURE AND RESULTS IN 2019

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## 4.1 FRAMEWORK FOR PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

### 4.1.1 Accounting principles and policies

The accounting principles and policies and their changes are described in note 1.1 of the notes to the consolidated financial statements as of 31 December 2019.

### 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 2019.

## 4.2 ECONOMIC AND FINANCIAL ENVIRONMENT

### 4.2.1 Macro-economic and financial environment in 2019

Economic growth slowed in 2019, whether in the United States, the euro zone or China. However, it remained strongly positive. In addition to specific difficulties in the automotive sector, the uncertainties generated by the China-United States trade war and the lack of clarity regarding Brexit have played an important role in this slowdown. However, as of the end of the year, a decline in these risks has nevertheless brought some kind of hope. Central banks implemented new monetary easing measures, which was very positive for equity markets. Bond yields fell sharply until the autumn when they regained some of their lost ground.

#### United States

The US economy slowed gradually in 2019. After a beginning of the year marked by the longest shutdown in history (partial closure of government services due to the lack of an agreement on their financing), the focus then moved on to the developing trade wars between the United States and other countries. The Federal Reserve, concerned about the risks associated with these tensions, changed its attitude and adopted a more conciliatory tone and then lowered its benchmark rate three times. As the year progressed, the economy slowed from its peak in Q2 2018 (3.2% year on year) to a rate of only 2.1% in Q3 2019, as the effects of the budgetary stimulus of 2018 wore off and there were uncertainties on the commercial front and a fall in investment. However, the labour market remained strong, the unemployment rate continued to fall, and wage growth continued at a moderate pace. Consumer sentiment remained at a good level despite a little more caution about the future. As a result, personal consumption has not lost its vigour and has supported growth. On the production side, however, the manufacturing sector decelerated then fell into recession, whereas the slowdown in the services sector remained much more limited. In fact, the business climate deteriorated in industry, causing a slowdown in non-residential investment which stunted growth. On the contrary, residential investment

has gradually improved thanks to the easing of monetary policy. Inflation improved slightly to reach 2.3% (underlying index) as of the end of the year and 1.6% (the "Core PCE" index followed by the Fed). Finally, the year ended on a positive note due to the announcement of a trade agreement reached between the United States and China, expected to be signed in January 2020.

#### Euro zone

After a fairly good start to the year (GDP rise of 0.4% in Q1), the euro zone's economic growth then weakened (0.2% in Q2 and Q3). The main causes of this slowdown were international trade tensions, Brexit-related fears and sector-specific difficulties in the automotive sector (particularly in Germany). The European Central Bank responded to the downturn in business and the increasing risks with new monetary accommodation measures (drop in the deposit interest rate and a new asset purchase programme). At the end of Q4, however, the environment improved as a result of the positive developments with regard to Brexit, the agreement on the outlines of a United States-China trade agreement and the stabilisation or rebound of most of the short-term economic indicators. Overall, the difficulties of the year remained concentrated in the industrial sector, with the spread to services remaining limited. The pace of job creation slowed, but without preventing the ongoing fall in the unemployment rate (7.5% in October compared with 8% twelve months earlier). Overall inflation declined due to the base effects of the oil price, while underlying inflation rose slightly (1.3% over one year, in November). From the political point of view, the main events, in addition to those concerning Brexit, were a change of government in Italy (the consequence of which was a decline in tensions between this country and the rest of the EU); the arrival in office of a new European Commission (after elections to the European Parliament, which led to the loss by the Social Democrats and Christian Democrats of the majority they had held since 1979) and new inconclusive elections in Spain.

## Emerging Countries

GDP growth in emerging economies was slower in 2019 although significant differences between countries remained. In terms of geographical regions, the situation was quite similar. The persistence of trade tensions between the United States and China and the slowdown in global trade have contributed to the weakening business climate and the reduction in investment and exports from emerging countries. The growth of GDP in emerging countries was estimated at 4.2% in 2019 compared to 4.9% in 2018. Part of the economic slowdown is attributable to lower growth in some major emerging economies such as China, India and Mexico, as well as recession in a few others such as Turkey and Argentina, which are two distinct cases. Faced with this situation, the central banks of the emerging countries and the Fed have taken a more accommodating stance in an environment characterised by relatively low inflationary pressures. The overall budgetary direction of the various countries was more mixed, with some emerging countries adopting a more expansionary policy than others.

## Equity

Equity markets rose sharply in 2019. At +27% (local currencies and reinvested dividends), the MSCI ACWI fully reversed its downturn of 2018 (-7%). In addition, this increase was widely shared between Emerging Countries (+19%), Japan (+19%), Europe (+25%) and in the United States (+32%) with increases ranging from +19% to +32%. This surge took place in three stages. Firstly, from January to April, the market only caught

up with its fall of 2018; a catch-up linked to the change of course by the major central banks who suspended their monetary normalisation projects in view of threats to the global economy. Then from May to mid-October, in between the intensification of monetary accommodation policies and new, exaggerated protectionism, the market developed along a horizontal plane. It was not until mid-October that the market really took off; investors having welcomed the easing of geopolitical tensions, the pursuit of accommodation policies and economic indicators proving to be more resilient than forecast.

## Rates

The year 2019 was divided into two stages for the interest rate market. Initially, rates fell sharply to reach a low point at the end of August. The US 10-year rate was 2.7% as of the start of the year and reached a low of 1.5%. The German 10-year rate fell from 0.2% to -0.7%, a historic low. This fall is due to the simultaneous slowdown in the global economy and the about turn of the central banks. The Fed has lowered its rates three times this year while the central bank's own expectations suggested three interest rate increases. Global growth for the year 2019 was revised downwards to 3%. This is the slowest pace since the great financial crisis. Two years ago, 75% of the economy was accelerating. Secondly, long-term rates began to rebound, driven by more positive prospects for global economic growth. The likelihood of a short-term recession fell sharply. The US and German 10-year rates ended the year at levels close to 1.9% and -0.2%.

## 4.2.2 The asset management market<sup>(1)</sup>

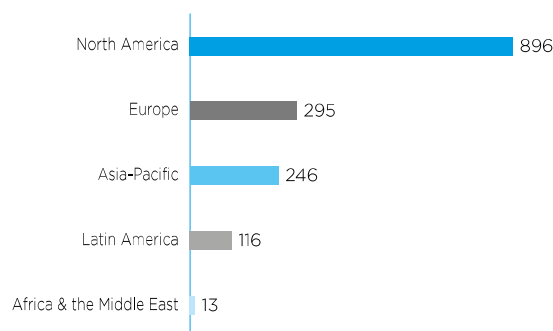
Global flows have concentrated in interest-rate products as they benefited from the incentivisation policies of central banks. On the one hand investors have been looking for bond products that are geographically diversified, enabling them to obtain positive returns, and on the other hand, investors have retained significant cash holdings in money market funds due to economic and geopolitical uncertainties.

**Responsible investment** (ESG) continued to grow strongly with +€156 billion of net inflows and nearly €1,000 billion of assets spread across all asset classes and all client segments.

**Passive management** attracted more than two-thirds of the global net flows on medium-and long-term income products (excluding cash) on all asset classes, with passive bond funds for the first time having more inflow than passive equity funds. Passive management has experienced strong demand throughout the world, particularly in the United States (+€385 billion), in Europe (+€181 billion), particularly under the impetus of exchange-traded funds (ETFs), which now reach almost €1,000 billion in assets, and in Asia (+€123 billion).

### Net inflows in 2019 by geographic area around the world

(in € billions)



### 4.2.2.1 European market

After investors in **Europe** took a wait-and-see approach during the first quarter, they then gradually returned to long-term assets, mainly in bond funds and to a lesser extent in the last quarter in equity funds, in which the net inflows still remained negative over the whole year.

<sup>(1)</sup> Sources: Amundi and Broadridge Financial Solutions – FundFile & ETFGI/Open-ended funds (excluding dedicated mandates and funds) as of the end of December 2019. The net inflows of multi-distributed products (cross-border) has been reallocated in full in Europe.

In total, the European market ended the year with net inflows of €295 billion, well above the 2018 net inflows, but far removed from the record year of 2017. Over 80% of this net inflows was directed towards medium- and long-term products.

With regard to long-term products, international funds including emerging, credit and maturing were the main beneficiaries of the appetite for bonds. Equity funds had various dynamics differentiated according to their type of management. While active management funds faced strong outflows, with the

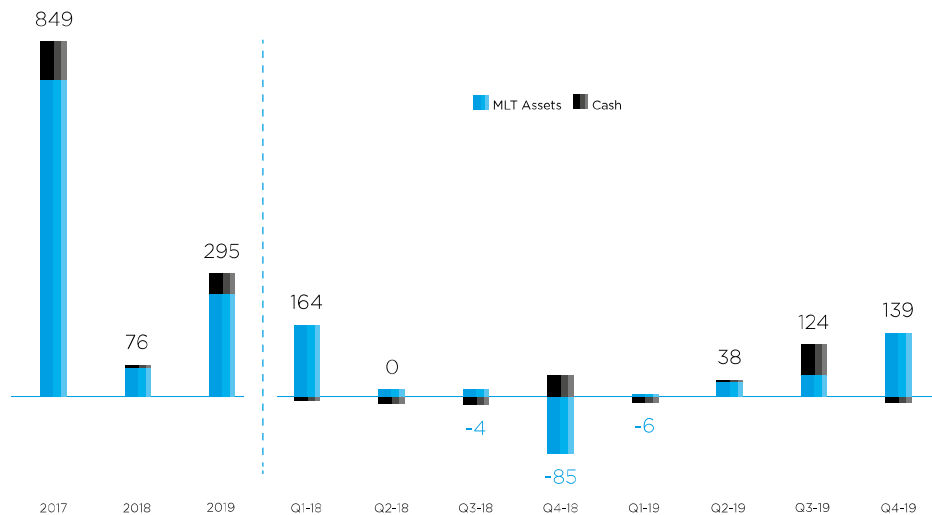
exception of international and thematic equities, passive management funds attracted positive flows.

Multi-asset products remained in the red, penalised by huge purchases of some large, absolute performance funds with disappointing performance.

Boosted by growth markets, the European market reached a new record with over €12,000 billion in assets under management, up 17% over one year.

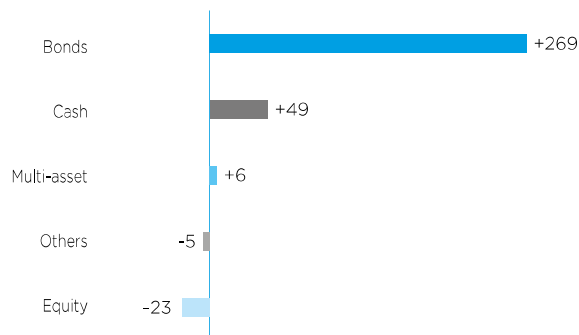
### Flows in European open-ended funds in 2017, 2018 and 2019

(in € billions)



### 2019 net inflows by asset class in Europe

(in € billions)



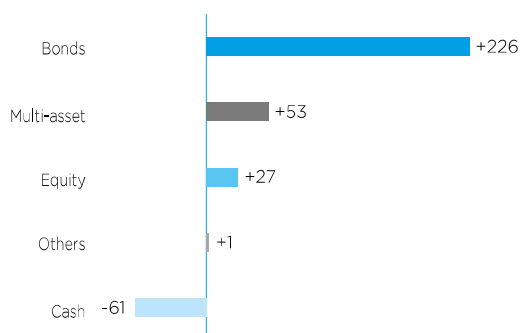
Others = ABS, derivatives, forex, hedge funds, property, commodities, etc.

#### 4.2.2.2 Asia-Pacific markets

In Asia, as in Europe, the bulk of the net inflows (+€246 billion) came from bond products: firstly in China on local currency funds as well as on maturing bond products, which were very successful in Southeast Asia and Japan. Multi-asset funds were notable for the large net inflows on their profiled products in particular. Finally, there was significant outflow on cash funds, penalised by major takeovers in China.

#### Net inflows in 2019 by asset class in Asia Pacific

(in € billions)



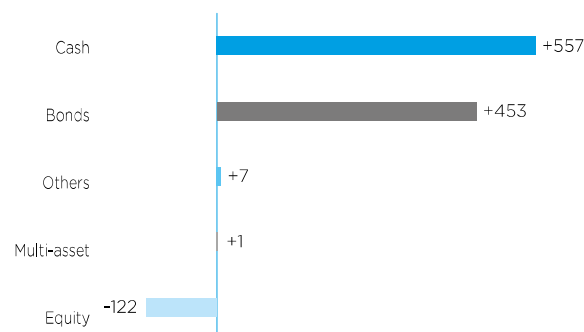
Others = ABS, derivatives, forex, hedge funds, property, commodities, etc.

#### 4.2.2.3 US market

In the United States, net inflows also almost exclusively came from interest rate products (bond funds and cash). Despite the strong performance of equity markets, equity funds posted a net outflow. As in Europe, the positive flows on passive management equity valuations were eradicated by significant redemptions on the active management funds. Multi-asset fund net inflows was sluggish, with the positive flows of target date/lifecycle funds included in retirement products being offset by outflows in other valuations.

#### 2019 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

### Record net inflows and a growth in net income

For the tenth consecutive year, Amundi recorded growth in its net income. This reflects on the one hand a very good level of activity and on the other, good cost control. Our cost-to-income ratio thus reaches 50.9%, up +0.7 points from 2018.

Net income and adjusted net income were up by 12.2% and 6.6% respectively.

These strong results are in line with the published objectives and are testament to the robustness of Amundi's business model.

### 4.3.1 Activity: assets under management and net inflows

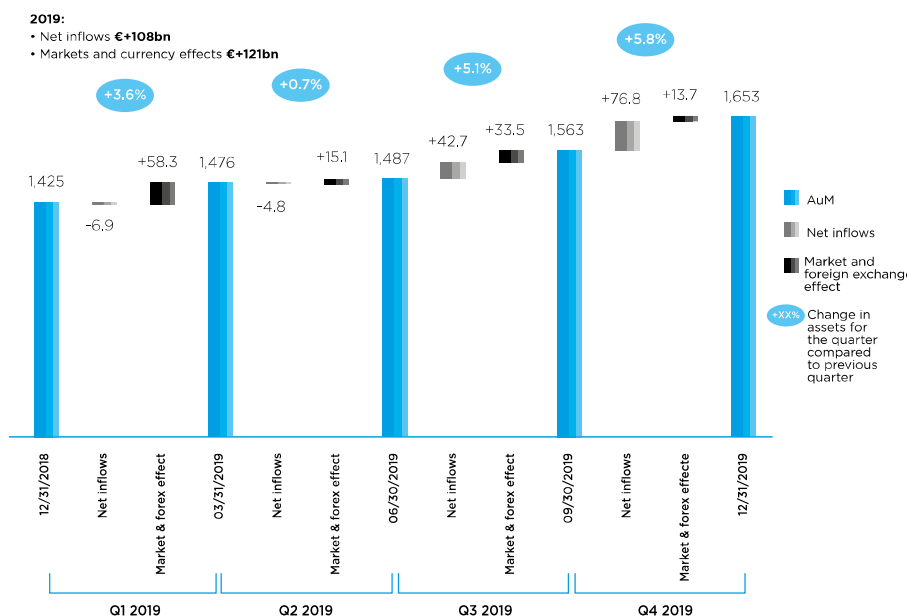
Assets under management amounted to €1,653 billion as of 31 December 2019, with a growth of +16% compared with end 2018 due to a very positive market effect (+€121 billion) and record net inflows (+€108 billion).

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.



### Development of Amundi's assets under management in 2019

(in € billions)



In a more favourable market environment, and in the context of a gradual recovery in the net inflows of the European asset management market, **Amundi recorded the best net inflows in its history at +€107.7 billion.** These flows include the gain from two new pension fund mandates for +€74.2 billion in the Indian joint venture.

Excluding joint ventures, net inflows recovered at +€23.8 billion (compared to +€15.7 billion in 2018) and consisted primarily of MLT assets. **With a market effect of €121 billion, at the end of 2019 AuM stood at €1,653 billion, i.e. up 16% compared with the end of 2018.**

#### 4.3.1.1 Assets under management and net inflows by client segment

(in € billions)	AuM 31/12/2019	AuM 31/12/2018	var. % 31/12/2018	Net inflows 2019	Net inflows 2018
French networks	111	104	+6.6%	(3.0) <sup>(1)</sup>	+2.9
International networks	128	116	+9.9%	+2.7	+4.6
Third-party distributors	194	170	+14.0%	+5.7	(3.1) <sup>(3)</sup>
<b>Retail excl. JVs</b>	<b>432</b>	<b>390</b>	<b>+10.8%</b>	<b>+5.4</b>	<b>+4.4</b>
Institutionals <sup>(2)</sup> and sovereigns	376	354	+6.3%	(8.8) <sup>(4)</sup>	+12.5
Corporates	79	67	+17.9%	+4.9	(3.6)
Employee savings	66	54	+22.4%	+4.8	+2.7
CA & SG Insurers	465	417	+11.3%	+17.6	(0.3)
<b>Institutional investors</b>	<b>987</b>	<b>893</b>	<b>+10.5%</b>	<b>+18.5</b>	<b>+11.4</b>
<b>JVS</b>	<b>234</b>	<b>142</b>	<b>+64.9%</b>	<b>+83.9<sup>(5)</sup></b>	<b>+26.3</b>
<b>TOTAL</b>	<b>1,653</b>	<b>1,425</b>	<b>+16.0%</b>	<b>+107.7<sup>(4)(5)</sup></b>	<b>+42.0<sup>(3)</sup></b>

(1) French networks: net inflows on medium-long-term assets of -€0.1 billion in 2019.

(2) Including funds of funds.

(3) Including the reinternalisation of assets by Fineco for -€6.5 billion during Q3 2018.

(4) Including the reinternalisation of an Italian institutional mandate for -€6.3 billion as of Q1 2019.

(5) Including new mandates in the Indian joint venture of +€14.6 billion in Q3 2019 and +€59.6 billion in Q4 2019.



**The flows of the retail segment** (excluding joint ventures) amounted to **+€6.1 billion<sup>(1)</sup>** (compared to +€0.5 billion in 2018) as a result of the sustained activity of third-party distributors and international networks.

**In the institutional segment, net inflows rose to +€18.9 billion<sup>(1)</sup>** (compared to +€15.2 billion in 2018), driven by all segments.

This good level of activity benefited in particular from two elements:

- **The success of growth engines and innovative products:** like this, passive management, ETFs and Smart Beta brought inflows of +€16.2 billion, driving assets to €133 billion. In ETFs, Amundi gained market share, achieving the 4<sup>th</sup> highest net inflows in Europe<sup>(2)</sup> and 5<sup>th</sup> player<sup>(2)</sup> with +€8.9 billion in net inflows (double compared to 2018) and €56 billion in

assets. In addition, the momentum in real and alternative assets continued with +€5.7 billion in flows (particularly in real estate), driving assets to €53 billion.

- **Solid, consistent management performance:** close to 80% of assets in exchange-traded funds are classified in the top 2 quartiles over 5 years<sup>(3)</sup>. In total, 195 Amundi funds have a Morningstar rating of 4 or 5 stars.

**The joint ventures saw very strong net inflows (+€83.9 billion), particularly in India (+€84.6 billion)** with the institutional segment accelerating, but also in South Korea (+€6.7 billion). In China, in activities affected by changes in the regulatory environment, flows were negative (-€9.8 billion including cash products); however, net inflows across the remainder of the business (+€2.3 billion) was positive.

### 4.3.1.2 Assets under management and net inflows by asset class

(in € billions)	AuM 31/12/2019	AuM 31/12/2018	var. % 31/12/2018	Net inflows 2019	Net inflows 2018
Equity	252	201	+25.4%	+4.6	+8.2
Multi-asset	250	235	+6.2%	(6.7) <sup>(1)</sup>	+7.3 <sup>(2)</sup>
Bonds	636	577	+10.3%	+19.4	(4.9)
Real, Alternative and Structured	86	73	+17.2%	+7.7	+5.1
<b>MLT ASSETS EXCLUDING JVS</b>	<b>1,224</b>	<b>1,086</b>	<b>+12.7%</b>	<b>+25.0</b>	<b>+15.7</b>
Treasury products excluding JVs	195	197	(0.9)%	(1.2)	+0.0
<b>ASSETS EXCLUDING JVS</b>	<b>1,419</b>	<b>1,283</b>	<b>+10.6%</b>	<b>+23.8</b>	<b>+15.7</b>
JVs	234	142	+64.9%	+83.9 <sup>(3)</sup>	+26.3
<b>TOTAL</b>	<b>1,653</b>	<b>1,425</b>	<b>+16.0%</b>	<b>+107.7<sup>(1) (3)</sup></b>	<b>+42.0<sup>(2)</sup></b>

(1) Including the reinternalisation of an Italian institutional mandate for -€6.3 billion as of Q1 2019.

(2) Including the reinternalisation of assets by Fineco for -€6.5 billion during Q3 2018.

(3) Including a new mandate in the Indian joint venture of +€14.6 billion in Q3 2019 and +€59.6 billion in Q4 2019.

### 4.3.1.3 Assets under management and net inflows by geographic area

(in € billions)	AuM 31/12/2019	AuM 31/12/2018	var. % 31/12/2018	Net inflows 2019	Net inflows 2018
France <sup>(3)</sup>	890 <sup>(1)</sup>	812	+9.5%	+13.6	(2.9)
Italy	177	167	+5.7%	(3.6) <sup>(2)</sup>	+1.6 <sup>(3)</sup>
Europe excluding France and Italy	184	161	+14.3%	+9.8	+15.5
Asia	300	200	+49.9%	+83.8 <sup>(4)</sup>	+26.8
Rest of world <sup>(4)</sup>	103	85	+21.8%	+4.0	+0.9
<b>TOTAL</b>	<b>1,653</b>	<b>1,425</b>	<b>+16.0%</b>	<b>+107.7<sup>(2)(4)</sup></b>	<b>+42.0<sup>(3)</sup></b>
<b>TOTAL EXCL. FRANCE</b>	<b>764</b>	<b>613</b>	<b>+24.6%</b>	<b>+94.1<sup>(2)(4)</sup></b>	<b>+44.9<sup>(3)</sup></b>

(1) Including €446bn for CA et SG insurers

(2) Including the reinternalisation of an Italian institutional mandate for -€6.3 billion as of Q1 2019.

(3) Including the reinternalisation of assets by Fineco for -€6.5 billion during Q3 2018.

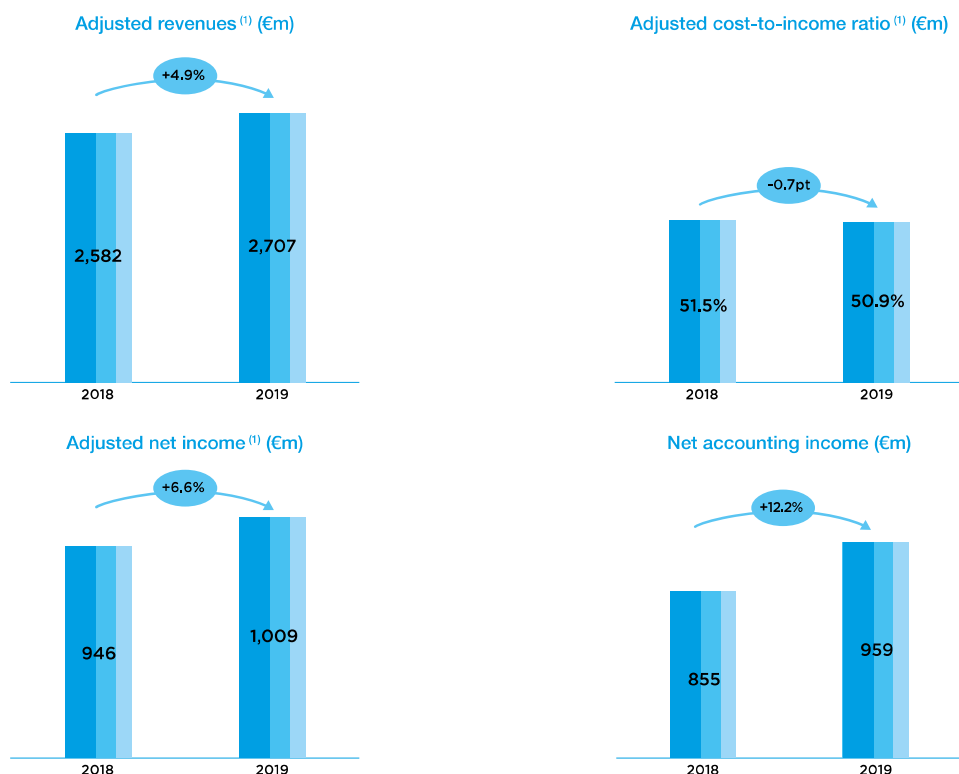
(4) Including a new mandate in the Indian joint venture of +€14.6 billion in Q3 2019 and +€59.6 billion in Q4 2019.

(1) MLT assets.

(2) Source ETF GI.

(3) Source: Morningstar Direct, open-ended funds and ETFs, global scope, excluding feeder funds, end of December 2019. 678 funds, i.e. €438 billion.

## 4.3.2 Results



(1) Adjusted data: excluding amortisation of the distribution contracts and, in 2018, excluding integration costs.

**Amundi's results grew in 2019 in particular as a result of increasing revenues and controlling operating expenses.**

- **Net revenues<sup>(1)</sup> reached €2,707 million, a significant increase of 4.9%** compared to 2018. Net management revenues rose by 2.2%, in particular due to the very good level of performance fees which reached €171 million (+49% vs 2018); on the other hand, net management fees were almost stable (+0.1%). The average margin<sup>(2)</sup> on outflows was down slightly, at 18.4 bps of assets (compared with 18.8 bps in 2018), particularly given the increased proportion of institutional clients. In addition, the level of financial products was high in 2018 (€44 million vs -24 in 2018).
- **Operating expenses** were stable (+3.5% vs 2018), despite an unfavourable exchange rate effect and an increase in variable remuneration (linked to best performance). Investments in growth activities (specifically targeted recruitment) and the costs associated with strategic projects (in China and Spain)

were offset by the continuation of Pioneer-related synergies (which reached 94% of the €175 million target).

- As a result, the **cost-to-income ratio was 50.9%, having improved by +0.7 points** compared to 2018. The operating expenses to average assets ratio (excl. JVs) remains one of the lowest in the industry: 10.1 bps.
- The contribution of **equity-accounted companies** (mainly Asian joint ventures) stood at €46 million (compared to €50 million in 2018) and reflected two opposite trends, the continued growth in India and South Korea, and a decline in China.

After tax and risk costs, **adjusted net earnings<sup>(3)</sup> amounted to €1,009 million (+6.6%), in line with the objectives announced.**

**Accounting net income<sup>(4)</sup> for the 2019 financial year amounted to €959 million, i.e. +12.2% compared to 2018.**

**Accounting net earnings per share stood at €4.75, an appreciable increase of 12.1% on 2018.**

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

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

(3) Excl. amortisation of distribution contracts and, in 2018, excluding the costs of integrating Pioneer.

(4) Accounting income includes the amortisation of distribution contracts and, in 2018, Pioneer integration costs.

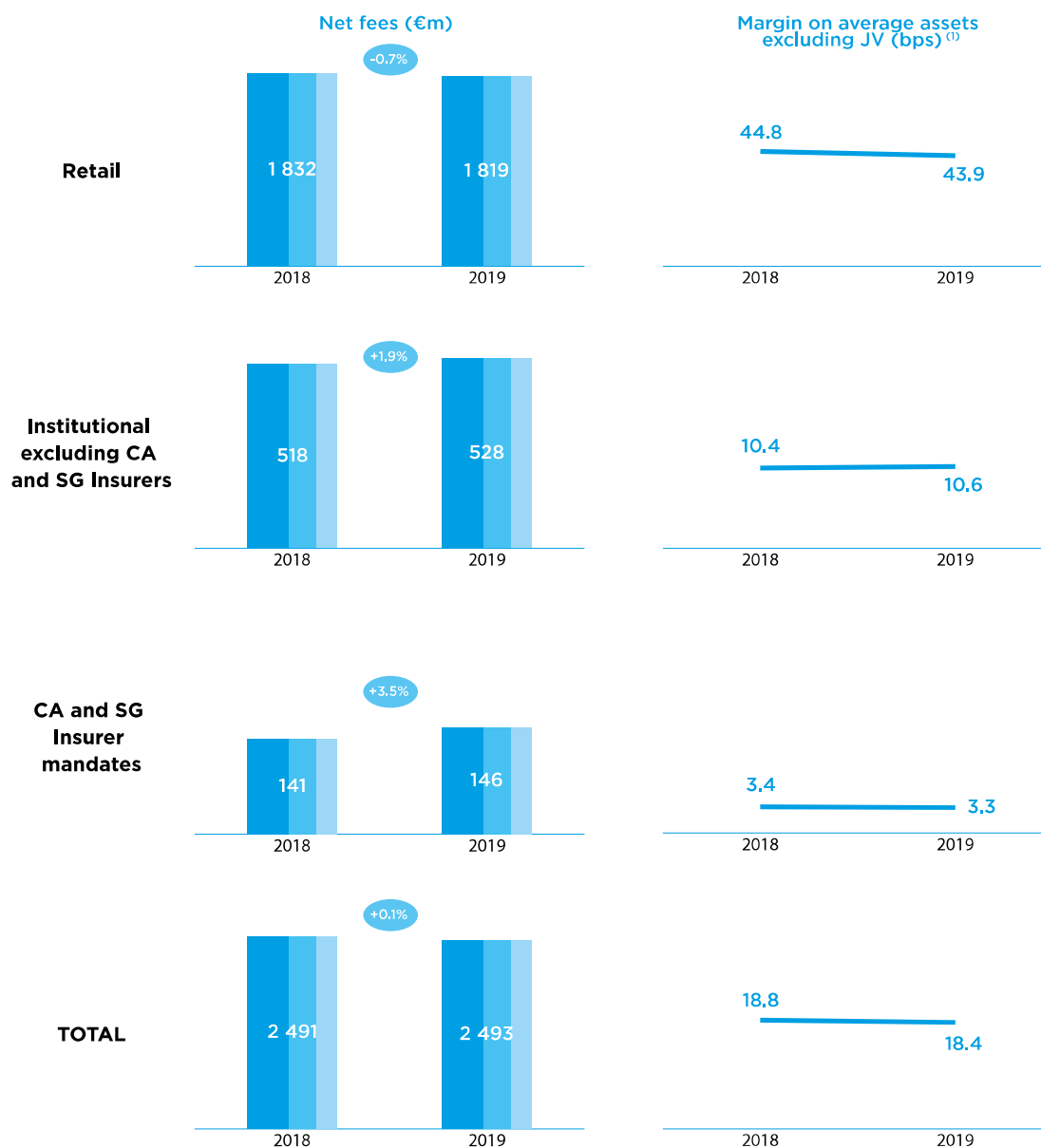
## Income statement

<i>(in € millions)</i>	2019	2018	Change
<b>ADJUSTED NET REVENUES</b>	<b>2,707</b>	<b>2,582</b>	<b>+4.9%</b>
Net management revenues	2,663	2,606	+2.2%
<i>of which, net management fees</i>	2,493	2,491	+0.1%
<i>of which, performance fees</i>	171	115	+49.0%
Net financial income and other net income	44	(24)	ns
<b>ADJUSTED GENERAL OPERATING EXPENSES</b>	<b>(1,377)</b>	<b>(1,331)</b>	<b>+3.5%</b>
<b>ADJUSTED GROSS OPERATING INCOME</b>	<b>1,331</b>	<b>1,251</b>	<b>+6.4%</b>
<i>Adjusted cost/income ratio</i>	50.9%	51.5%	-0.7 bps
Cost of risk and provisions	(11)	(11)	=
Equity-accounted companies	46	50	(6.8)%
<b>ADJUSTED PRE-TAX INCOME</b>	<b>1,366</b>	<b>1,289</b>	<b>+6.0%</b>
Income tax	(357)	(343)	+4.0%
<b>ADJUSTED NET INCOME, GROUP SHARE</b>	<b>1,009</b>	<b>946</b>	<b>+6.6%</b>
Amortisation of distribution contracts after tax	(50)	(50)	=
Pioneer integration costs after tax	0	(42)	NS
<b>NET INCOME, GROUP SHARE</b>	<b>959</b>	<b>855</b>	<b>+12.2%</b>
<b>NET EARNINGS PER SHARE <i>(in €)</i></b>	<b>4.75</b>	<b>4.24</b>	<b>+12.1%</b>

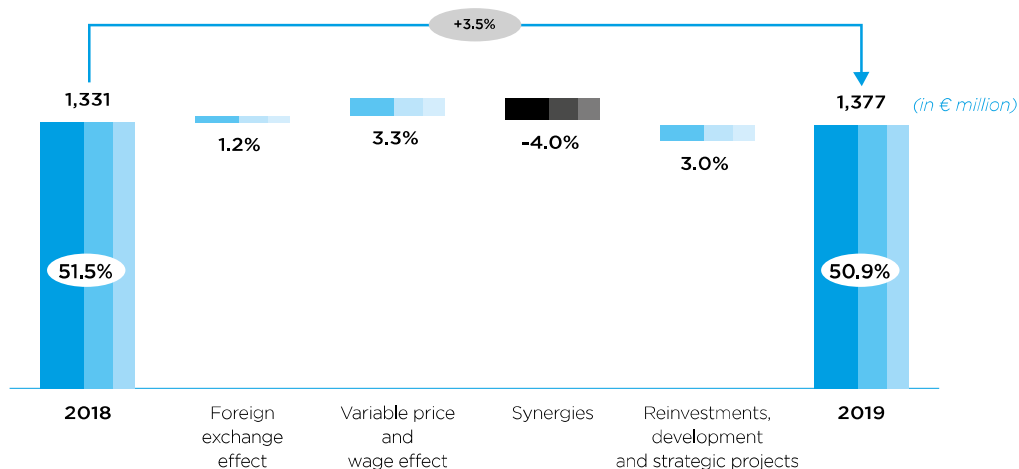
*Adjusted data: Excluding amortisation of distribution contracts and, in 2018, excluding costs associated with the integration of Pioneer.*



Net management fees were stable, and the average margin<sup>(1)</sup> on assets was slightly lower at 18.4 bps due to the effect of a less favourable client/product mix.



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

**Operating costs under control and an improving operating cost-to-income ratio****4.3.3 Alternative Performance Indicators (API)****4.3.3.1 Methodology note****I. Income statement****1. Accounting data**

In 2019 and Q4 2019, the information corresponds to data after amortisation of distribution contracts. In 2018 and Q4 2018, the information corresponds to data after amortisation of distribution contracts and after integration costs related to Pioneer.

Costs associated with the integration of Pioneer:

- 2018: €56 million before tax and €42 million after tax;

Amortisation of distribution contracts:

- 2019: €71 million before tax and €50 million after tax;
- 2018: €71 million before tax and €50 million after tax;

**2. Adjusted data**

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

- in 2019: restatement of amortisation of distribution contracts (recognised as a deduction from net revenues) with SG, Bawag and UniCredit;
- in 2018: restatement of Pioneer-related integration costs and amortisation of distribution contracts (recognised as a deduction from net revenues) with SG, Bawag and UniCredit.

**II. Amortisation of distribution contracts with UniCredit**

When Pioneer was acquired, 10-year distribution contracts were concluded with UniCredit networks in Italy, Germany, Austria, and the Czech Republic; the gross valuation for these contracts came to €546 million (recognised in the balance sheet in Intangible Assets). At the same time, a Deferred Tax Liability of €161 million was recognised. Thus the net amount is €385 million which is amortised using the straight-line method over 10 years from 1 July 2017.

In the Group's income statement, the net tax impact of this amortisation is €38 million over a full year (or €55 million before tax), recognised under "Other revenues", and is added to existing amortisations of the SG and Bawag distribution contracts of €12 million after tax over a full year (€17 million before tax).

### 4.3.3.2 API reconciliation table

To present an income statement that is closer to the economic reality, Amundi publishes adjusted data which is determined as follows: it excludes costs associated with the integration of

Pioneer and amortisation of the distribution contracts with SG, Bawag and UniCredit since 1 July 2017 (see above).

These adjusted figures are reconciled with accounting data as follows:

<i>(in € millions)</i>	<b>2019</b>	<b>2018</b>
<b>Net revenues (A)</b>	<b>2,636</b>	<b>2,510</b>
+ Amortisation of distribution contracts before tax	71	71
<b>ADJUSTED NET REVENUES (B)</b>	<b>2,707</b>	<b>2,582</b>
<b>Operating expenses (C)</b>	<b>(1,377)</b>	<b>(1,387)</b>
+ Pioneer integration costs before tax	0	56
<b>ADJUSTED OPERATING EXPENSES (D)</b>	<b>(1,377)</b>	<b>(1,331)</b>
<b>Gross Operating Profit (E) = (A)+(C)</b>	<b>1,259</b>	<b>1,123</b>
<b>ADJUSTED GROSS OPERATING PROFIT (F) = (B)+(D)</b>	<b>1,331</b>	<b>1,251</b>
Cost income ratio (C)/(A)	52.2%	55.3%
Adjusted cost income ratio (D)/(B)	50.9%	51.5%
Risk costs and provisions (G)	(11)	(11)
Equity-accounted companies (H)	46	50
<b>Pre-tax income (I) = (E)+(G)+(H)</b>	<b>1,295</b>	<b>1,162</b>
<b>ADJUSTED PRE-TAX INCOME (J) = (F)+(G)+(H)</b>	<b>1,366</b>	<b>1,289</b>
Income tax (K)	(336)	(307)
Adjusted income tax (L)	(357)	(343)
<b>NET INCOME, GROUP SHARE (I)+(K)</b>	<b>959</b>	<b>855</b>
<b>ADJUSTED NET INCOME, GROUP SHARE (J)+(L)</b>	<b>1,009</b>	<b>946</b>

### 4.3.4 Dividend policy

In accordance with the recommendations published by the European Central Bank, the Board of Amundi has decided not to submit to its General Assembly, convened on May 12<sup>th</sup> 2020, the dividend payout of €3.10 per share for the 2019 fiscal year.

## 4.4 BALANCE SHEET AND FINANCIAL STRUCTURE

### 4.4.1 Amundi consolidated balance sheet

#### ASSETS

<i>(in € millions)</i>	31/12/2019	31/12/2018	Change
Cash, central banks	0	0	NA
Derivatives	3,096	2,456	26.0%
Financial assets at fair value through profit or loss	10,704	7,995	33.9%
Financial assets at fair value through equity	610	486	25.6%
Financial assets at amortised cost	1,185	1,005	17.9%
Current and deferred tax assets	180	194	(7.2%)
Accruals and sundry assets	1,807	2,254	(19.8%)
Interests and shares in equity-accounted entities	275	264	4.3%
Property, plant and equipment	206	43	NA
Intangible assets	485	544	(10.9%)
Goodwill	5,712	5,695	0.3%
<b>TOTAL ASSETS</b>	<b>24,261</b>	<b>20,937</b>	<b>15.9%</b>

#### EQUITY AND LIABILITIES

<i>(in € millions)</i>	31/12/2019	31/12/2018	Change
Derivatives	2,664	2,681	(0.7%)
Financial liabilities recorded under the fair value option through profit and loss	8,418	5,532	52.2%
Financial liabilities at amortised cost	817	1,314	(37.8%)
Current and deferred tax liabilities	234	281	(16.7%)
Accruals and sundry liabilities	2,766	2,088	32.5%
Provisions	159	209	(24.0%)
Subordinated debt	304	304	=
Equity, Group share	8,900	8,528	4.4%
■ Share capital and reserves	2,928	2,947	(0.6%)
■ Consolidated reserves	5,058	4,779	5.8%
■ Unrealised or deferred gains or losses	(46)	(53)	(13.1%)
■ Net income, Group share	959	855	12.2%
Non-controlling interests	0	0	NA
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>24,261</b>	<b>20,937</b>	<b>15.9%</b>

#### 4.4.1.1 Changes to the balance sheet in 2019

**As of 31 December 2019, the balance sheet total amounted to €24.3 billion, compared with €20.9 billion as of 31 December 2018.**

This increase is mainly due to an increase in the assets and liabilities designated at fair value through profit or loss associated with the EMTN issues for Retail clients for €2.9 billion over the year.

**Derivatives with assets** represented €3,096 million as of 31 December 2019 (compared to €2,456 million as of 31 December 2018), up 26.0% over the financial year.

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 €2,664 million as of 31 December 2019 (compared to €2,681 million as of 31 December 2018), down by -0.7% over the financial year.

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 €10,704 million as of 31 December 2019 compared to €7,995 million as of 31 December 2018, up by 33.9%. They mostly comprised:

- assets backing EMTN issues (measured symmetrically at optional fair value through profit and loss), in the amount of €8,004 million as of 31 December 2019 compared to €5,776 million as of 31 December 2018, an increase of 38.6% 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 (€322 million as of 31 December 2019 compared to €355 million as of 31 December 2018, down by -9.3%);
- voluntary investments (€2,279 million as of 31 December 2019 compared with €1,765 million as of 31 December 2018, up by 29.1%). The main development over the year consisted of the reallocation of monetary assets to fixed-income underlying assets, particularly long-term treasury bonds;
- non-consolidated equity interests, excluding those measured at fair value through non-recyclable equity through profit and loss, for €99 million as of 31 December 2019, which is stable compared with 31 December 2018.

**Financial liabilities optionally designated at fair value through profit and loss** in the amount of €8,418 million as of 31 December 2019 compared to €5,532 million as of 31 December 2018, an increase of 52.2%, 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 €610 million as of 31 December 2019 compared to €486 million as of 31 December 2018, an increase of 25%. This item presents non-consolidated equity interests optionally recognised at fair value through non-recyclable equity through profit and loss in the amount of €194 million as of 31 December 2019, compared with €189 million as of 31 December 2018, as well as government securities (€416 million as of 31 December 2019 compared to €294 million as of 31 December 2018, an increase of 40.1%), 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 €1,185 million on 31 December 2019 compared with €1,005 million as of 31 December 2018, up by 17.9%. As of 31 December 2019, they broke down into €1,167 million of short-term deposits and cash and €18 million of medium to long-term loans (maturity 2022).

**Liabilities at amortised cost are made up of debts owed to credit institutions** and total €817 million as of 31 December 2019, compared with €1,314 million as of 31 December 2018. As of 31 December 2019, amounts due to credit institutions were made up of short-term loans totalling €610 million and medium to long-term loans totalling €207 million, mainly with the Crédit Agricole Group.

**Subordinated debt**, which totalled €304 million as of 31 December 2019, 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 €1,807 million as of 31 December 2019 compared to €2,254 million as of 31 December 2018, down by -19.8%. This item records the collateral paid for the intermediation activity of Amundi swaps for €293 million (compared to €1,057 million as of 31 December 2018) and other accruals, prepayments and sundry assets for €1,514 million (compared with €1,197 million as of 31 December 2018), particularly management fees outstanding.

**Accruals, deferred income and sundry liabilities** amounted to €2,766 million as of 31 December 2019 compared to €2,088 million as of 31 December 2018, up by 32.5%. This item records the collateral received for the intermediation activity for €809 million (compared with €465 million as of 31 December 2018) and other accruals, deferred income and sundry liabilities for €1,957 million (compared with €1,623 million as of 31 December 2018), particularly the refunds to be paid to the distributors.

**Intangible assets** totalled €485 million as of 31 December 2019 as against €544 million as of 31 December 2018. This decrease mainly reflected the amortised value of UniCredit distribution contracts recognised upon acquisition of the Pioneer Group subsidiaries.

**Goodwill** totalled €5,712 million as of 31 December 2019 compared to €5,695 million as of 31 December 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 relating to the acquisition of Pioneer Group subsidiaries on 3 July 2017.

**Provisions** amounted to €159 million as of 31 December 2019, compared with €209 million as of 31 December 2018.

**The Group's shareholders' equity** including earnings for the period ended 31 December 2019, were €8,900 million compared to €8,528 million as of 31 December 2018, up +4.4%. The net positive change of +€372 million is largely due to the net effect of the following items:

- Amundi dividends declared for 2018 in the amount of €579 million;
- net income for the financial year of +€959 million;
- change in "gains and losses recognised directly in equity" at +€7 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 financial years is as follows:

31/12/2019 (in € millions)	Asset classes				
	Money market instruments	Bonds*	Equity and multi-asset	Other	Total
Seed money	2	83	146	91	322
Voluntary and other investments	196	2,455	56	64	2,771
<b>TOTAL</b>	<b>198</b>	<b>2,538</b>	<b>202</b>	<b>155</b>	<b>3,093</b>

\* Including €413 million of Emir sovereign securities in voluntary investments and €76 million in BTPs.

31/12/2018 (in € millions)	Asset classes				
	Money market instruments	Bonds*	Equity and multi-asset	Other	Total
Seed money	4	125	169	58	355
Voluntary and other investments	594	1,375	31	63	2,063
<b>TOTAL</b>	<b>598</b>	<b>1,500</b>	<b>199</b>	<b>121</b>	<b>2,418</b>

\* Including €164 million of Emir OATs 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)	31/12/2019	31/12/2018
Structured funds	8,175	9,260
CPPI	7,466	7,292
Other guaranteed products	4,695	3,577
<b>TOTAL</b>	<b>20,336</b>	<b>20,129</b>

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

**Amundi again benefited from a solid financial structure as of the end of 2019.** Tangible equity<sup>(1)</sup> amounted to €2.7 billion, an increase of €0.4 billion compared to the end of 2018. This change mainly reflects the generation of capital linked to the net income for the financial year 2019 (€959 million), net of the dividend distribution for the financial year 2018 (-€579 million), as well as the increase in the number of treasury shares held for hedging the performance share plan (additional deduction of €37 million).

The CET1 ratio amounted to 15.9%<sup>(2)</sup> (compared to 13.2% as of the end of 2018), which is much higher than the regulatory requirements.

It should be noted that from 1 January 2020, Amundi no longer has a regulatory capital requirement under the SREP process<sup>(3)</sup>. Amundi will continue to manage its balance sheet in a way which maintains a CET1 ratio which exceeds its regulatory requirements.

To recap, **in June 2019 the Fitch rating agency had renewed the 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 €24.3 billion as of 31 December 2019.

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 €12.8 billion after offsetting and aggregation:**

#### ECONOMIC ASSETS

(in € millions)	31/12/2019	31/12/2018
Property, plant and equipment	206	43
Interests in equity-accounted entities	275	264
Investment portfolio (incl. Emir sovereign bonds) and non-consolidated equity interests	3,311	2,705
■ investments	3,018	2,418
■ non-consolidated equity interests	293	287
Cash collateral		592
Short-term net cash	527	
Assets representing structured EMTNs	8,436	5,551
<b>TOTAL ECONOMIC ASSETS</b>	<b>12,755</b>	<b>9,155</b>

#### ECONOMIC EQUITY AND LIABILITIES

(in € millions)	31/12/2019	31/12/2018
Equity net of goodwill and intangible assets	2,703	2,288
Provisions	159	209
Subordinated debt	304	304
Long-term senior debts	207	276
Net short-term debt	/	100
Structured EMTN issues	8,418	5,532
Accruals & net sundry liabilities	449	446
Cash collateral	516	
<b>TOTAL ECONOMIC EQUITY AND LIABILITIES</b>	<b>12,755</b>	<b>9,155</b>

#### 4.4.3.2 Solvency ratio

**As of 31 December 2019, as indicated in the table below, the CET1 solvency ratio of Amundi amounted to 15.9%<sup>(2)</sup> compared to 13.2% as of the end of December 2018.**

This increase is due to the increase in Category 1 capital, which more than offsets the increase in risk-weighted assets for credit risk, primarily linked to the growth of the investment portfolio and the entry into force of IFRS 16.

(1) Equity excluding goodwill and intangible fixed assets.

(2) Including the provisioning of the dividend, which won't be proposed to the AGM on 12 May 2020. The allocation of the entire 2019 results to previous retained earnings will positively impact the solvency ratios by more than 500 bps.

(3) Supervisory Review and Evaluation Process.

With a CET1 ratio of 15.9%<sup>(1)</sup> and 18.4%<sup>(1)</sup> in total capital (including subordinated Tier 2 debt), Amundi is broadly in line with the regulatory requirements.

(in € millions)	31/12/2019	31/12/2018
Core Equity Tier 1 (CET1)	1,871	1,440
Tier 1 capital (CET1 + AT1)	1,871	1,440
Tier 2 capital	300	300
<b>Total regulatory capital</b>	<b>2,171</b>	<b>1,740</b>
<b>Total risk-weighted assets</b>	<b>11,781</b>	<b>10,949</b>
of which, Credit risk (excl. threshold allowances and CVA)	5,275	4,522
of which, effect of threshold allowances	909	714
of which, Credit value adjustment (CVA) effect	313	436
of which, Operational risk and Market risk	5,284	5,277
<b>OVERALL SOLVENCY RATIO</b>	<b>18.4%<sup>(1)</sup></b>	<b>15.9%</b>
<b>SOLVENCY RATIO CET1</b>	<b>15.9%<sup>(1)</sup></b>	<b>13.2%</b>

(1) Including the provisioning of the dividend, which won't be proposed to the AGM on 12 May 2020. The allocation of the entire 2019 results to previous retained earnings. will positively impact the solvency ratios by more than 500 bps

#### 4.4.3.3 Net financial debt

Like at 31 December 2018, the financial position of Amundi as of 31 December 2019 is that of a net lender, as indicated in the table below:

(in € millions)	31/12/2019
a. Net cash	1,126
b. Voluntary investments (excl. seed money) in money market funds and short-term bank deposits	227
c. Voluntary investments (excl. seed money) in fixed-income funds	1,966
<b>d. Liquidity (a+b+c)</b>	<b>3,319</b>
<b>e. Position net of margin calls on derivatives<sup>(1)</sup></b>	<b>(516)</b>
Of which, in balance sheet assets	293
Of which, in balance sheet liabilities	809
f. Short-term debts to credit institutions	599
g. Current portion (<1 year) of medium and long-term amounts due to credit institutions	69
<b>h. Current financial amounts due to credit institutions (f+g)</b>	<b>668</b>
i. Long-term portion (>1 year) of medium and long-term amounts due to credit institutions	438
<b>j. Non-current financial debts to credit institutions</b>	<b>438</b>
<b>k. NET FINANCIAL DEBT (h+j-d-e)</b>	<b>(1,697)</b>

(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.

As of 31 December 2019, Amundi's one-month Liquidity Coverage Ratio (LCR) in a stressed scenario was 541.1%. 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 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 managed by the Group. It includes two covenants, for which the requirements were met as of 31 December 2019: a minimum level of tangible equity and a gearing ratio, being the ratio of net debt to tangible equity.

## 4.5. OTHER INFORMATION

### 4.5.1 Related parties transactions

The main transactions entered into with related parties are described in note 9.3.2 “Related parties” to the condensed consolidated financial statements as of 31 December 2019.

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 2019 Universal Registration Document) shows that there were no agreements covered by the provisions of Article L. 225-38 signed in 2019 and submitted to the Shareholders’ Meeting for approval.

The statutory Auditors’ Special Report dated 10 April 2020, as incorporated in the 2019 Universal Registration Document in Chapter 8, “*Special report by the statutory auditors on regulated agreements and regulated commitments*”, informs you that there are no agreements falling under Article L. 225-38 of the French Commercial Code and describes the essential features and procedures of the agreements and commitments previously approved in previous financial years and which continued to be performed during the 2019 financial year.

### 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, Chapter 3 and Chapter 5 of this 2019 Universal 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.

#### 4.5.2.2 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 2019 Universal Registration Document (URD).

## 4.6 RECENT EVENTS AND OUTLOOK

**In accordance with its international development strategy, Amundi recently announced two significant initiatives that will enable it to accelerate its expansion in Europe and Asia:**

- **Spain: on 21 January 2020, Banco Sabadell and Amundi announced the signing of a 10-year strategic partnership for the distribution of Amundi products in Banco Sabadell networks in Spain. This strategic alliance also includes the acquisition by Amundi of Sabadell Asset Management, a leading asset manager in Spain, with €22 billion in assets under management. The cost of the acquisition is €430 million<sup>(1)</sup> which will be financed exclusively by Amundi’s existing financial resources. Amundi will benefit from Banco Sabadell’s strength in the region through its network of over 1,900 agencies, which will become a new partner network in Spain. With the acquisition of Sabadell Asset Management<sup>(2)</sup> Amundi will become number 4 in Spain (a major European savings market), reinforcing its leadership in Europe.**
- **China: on 20 December 2019, the Chinese regulator approved the creation of a joint venture between Amundi and Bank of China Wealth Management in asset management.** The objective is to launch this new joint venture (in which Amundi will be the majority partner) in the second

half of 2020. Amundi, which is the first foreign company to benefit from such an authorisation, will thus benefit from a strong partnership with the 4<sup>th</sup> leading Chinese bank, which is to complete its existing agreement with ABC, third leading Chinese bank (€68 billion under management in the joint fund management joint venture). **Amundi will have a strong position to take advantage of the potential and depth of the Chinese market.**

The COVID-19 pandemic is an intense crisis whose size and duration are difficult to predict. This health crisis has become an economic crisis; this is reflected in the sharp drops and increased volatility on financial markets. As far as Amundi is concerned, the main impact comes from the sensitivity of the managed assets to this fall in financial market (equity, rates, etc.), with the resultant effect on their valuation and on net asset management revenues. This crisis may also have an impact on Amundi’s other revenues, and on business activity. The consequences of the Covid-19 crisis on Amundi’s revenues, earnings and financial situation were impossible to estimate at the date of filing this Universal Registration Document.

Statement made on March 27, 2020, post Board meeting of February 11, 2020.

<sup>(1)</sup> Plus an additional amount up to €30 million, payable in 2024, based on the future performance of the business.

<sup>(2)</sup> This transaction is subject to approval by the regulators and is expected to be concluded during the third quarter of 2020.

## Key sensitivities

<b>Changes in the equity markets</b>	-/+ 10%	-/+ €25/30 bn in Assets under Management (AUM)	-/+ €80-85m in net revenues (run rate, excl. performance fees)
<b>Changes in interest rates</b>	-/+ 100 pts	+/- €30-35 bn in Assets under Management (AUM)	+/- €35-40m in net revenues (run rate, excl. performance fees)

These sensitivities do not include an indirect effect on net inflows from market fluctuations.

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

In 2019, the net banking income of Amundi (parent company) was €622 million compared to €482 million in 2018, an increase of €140 million.

This net banking income is composed primarily of:

- securities income of €609 million, of which €601 million in dividends received from Amundi subsidiaries;
- income on these various securities portfolios from the value of securities of its various portfolios of €17 million.

General operating expenses amounted to €51 million in 2019, compared to €22 million in 2018.

In view of these items, gross operating income totalled €571 million in 2019, up by €111 million compared to the 2018 financial year.

After recognising "cost of risk" and "net gains (losses) on fixed assets", pre-tax income on ordinary activities was €571 million. As part of its tax consolidation agreement (16 companies were consolidated), Amundi recorded a net income tax charge of €3 million.

In total, Amundi's net income for the period was a profit of €562 million in 2019, compared with a profit of €488 million in 2018.

## Amundi (parent company) five-year results

Type of indicator	31/12/2015	31/12/2016	31/12/2017	31/12/2018	31/12/2019
Share capital at the end of the financial year (in €)	418,113,093	419,813,673	503,776,405	504,260,885	505,408,263
Shares issued	167,245,237	167,925,469	201,510,562	201,704,354	202,163,305
<b>Transactions and income in the financial year (in € thousand)</b>					
Net revenues	505,675	333,048	150,895	481,789	621,783
Income before tax, depreciation, amortisation and provisions	484,742	304,215	135,802	459,973	570,764
Income tax	(23,558)	(5,078)	988	27,783	(3,380)
Earnings after tax, depreciation, amortisation and provisions	461,179	299,126	136,779	487,745	567,445
Amount of profit distributed	342,754	443,306	503,601	584,943	
<b>Per share data (in €)</b>					
Income after tax, but before depreciation, amortisation and provisions	2.76	1.78	0.68	2.42	2.81
Earnings after tax, depreciation, amortisation and provisions	2.76	1.78	0.68	2.42	2.81
Dividend per share	2.05	2.20	2.50	2.90	(1)
<b>Employees</b>					
Average headcount	10	10	11	12	12
Payroll during the year (in € thousand)	2,287	745	1,754	3,390	1,751
Employee benefits and social contributions paid during the financial year (social charges and taxes) (in € thousand)	492	536	863	1,445	451

(1) In accordance with the recommendations published by the European Central Bank Amundi has announced on April 1st, 2020, not to submit to its General Assembly, convened on May 12<sup>th</sup> 2020, the dividend payout for the 2019 fiscal year.