Amundi

Q2 and H1 2020 results

Good level of business activity and earnings
SG partnership renewed for five years

Business activity	▪ **AuM[1] of €1,592bn at 30 June 2020, an increase of +7% year-on-year** (+4% vs. the end of March 2020) ▪ **Good trend in Medium-Long-Term[2] assets: inflows +€3.5bn in Q2 2020, offsetting outflows in treasury products**
Results	▪ **Revenues[3] affected by the market downturn** (-7.3% in Q2 2020 vs. Q2 2019)... ▪ **... offset by a reduction of operating expenses** (-7.8% in Q2 2020 vs. Q2 2019) while continuing to hire for growth ▪ **Cost/income ratio[3] improving** (50.9% in Q2 2020, -0.3 pt. vs. Q2 2019) ▪ **Adjusted net income[3] still high: €233m** (vs. €258m in Q2 2019) ▪ Excluding the impact of the market's downturn, Q2 2020 income would be comparable to Q2 2019
Partnership with Société Générale	▪ **Partnership renewed for 5 years**
Growth drivers	▪ **Sabadell AM in Spain**: a deal that boosts Amundi's European leadership, with integration well under way ▪ **New JV with BoC in China**: a promising project staying on schedule

Paris, 31 July 2020

Amundi's Board of Directors, chaired by Xavier Musca, convened on 30 July 2020 to review the financial statements for the first half of 2020.

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

"Despite an unfavourable market environment, Amundi's business activity and earning were solid in the 2nd quarter, which proves the company's business model is sound. Medium-Long-Term assets inflows turned positive, thanks notably to real assets and passive management.

The Q2 2020 cost/income ratio of 50.9% was improved by 0.3 pt vs. the second quarter of 2019. Adjusted net income amounted to €233m. Excluding the impact on revenues of the decrease of average financial markets levels, this net income would be comparable to that of Q2 2019.

The partnership with Société Générale has been renewed in all its aspects, which strengthens Amundi's position as a reference partner of the Retail networks in Europe

The growth drivers initiated at the start of the year are taking shape in line with our stated objectives:

- *The acquisition of Sabadell AM, making Amundi the 4th player in Spain, was finalized at the end June, and the expected synergies have been revaluated.*
- *The implementation of the joint-venture with BOC in China continues in line with the envisaged plan, with a launch of operations planned in Q4 2020*

Lastly, Amundi continued to implement its ESG plan announced in October 2018, stepping up responsible investing initiatives".

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[1] Assets under management and net inflows (excluding Sabadell AM) include assets under advisory and assets marketed and take into account 100% of assets under management and net inflows on the Asian JVs. For Wafa in Morocco, assets are reported on a proportional consolidation basis.

[2] Medium-Long-Term Assets: excluding -€4.3bn in treasury products in Q2 2020.

[3] Adjusted data: excluding amortisation of distribution contracts; See page 10 for definitions and methods.

I. Resilient activity in a challenging context

Assets under management of €1,592bn[4], an increase of 7% year-on-year. Good momentum in MLT products

Amundi's assets under management totalled €1,592bn[4] at 30 June 2020, an increase of 7% year-on-year and 4.2% vs. the end of March 2020. During the quarter, the market effect was positive by +€64.9bn, and inflows virtually stable (-€0.8bn), featuring a recovery in MLT asset flows.

A less favourable market environment than in 2019

Overall, the market environment in the first half of 2020 was unfavourable to activity:

- **After a major shock in March due to the Covid-19 epidemic, the Equity markets recovered partially in the second quarter 2020** thanks to measures taken by the central banks at the end of March.
  Nevertheless, Q2 2020 Equity markets averaged significantly below Q1 2020 and Q2 2019 (by about -15%), and even below Q1 2018, when the three-year Amundi plan was announced (by about -13%).
- Meanwhile, the exceptional circumstances of the pandemic resulted in increased risk aversion from savers and investors. Accordingly, the **European asset management sector posted outflows of -€69bn at the end of May 2020[5]** (including -€161bn in MLT assets).
- Faced with this crisis of unprecedented extent, Amundi remained 100% operational in all its functions, including portfolio management, risks, middle-office and sales. Staff remote working followed by a gradual return to a normal state of operations have been set up while keeping constantly strict sanitary rules aimed at protecting the health of all staff.

In the second quarter of 2020

In the second quarter of 2020, Amundi posted a resilient activity with virtually stable total net flows (-€0.8bn), with a strong momentum of MLT products (+€3.5bn, an improvement over Q1 2020) offsetting outflows in money market products (-€4.3bn).

a) Momentum in MLT products (+€2.9bn) excl. JVs

In spite of heightened risk aversion, the Retail segment (-€1.7bn in MLT asset inflows) **was quite resilient,** in particular in the French networks (+€1.2bn) and international networks (balanced inflows). In the Third-Party Distributor segment, outflows for the quarter were concentrated in April, and flows turned positive again in June.

Among institutional clients, this quarter was characterised by a sharp recovery in net inflows in MLT assets, to +€4.6bn (vs. -€11.8bn in Q1 2020). Activity was particularly brisk in Employee Savings and Retirement, at +€2.2bn. Amundi held onto its leading position with a market share of 45.8% in France[6].

This trend was driven by successful growth drivers and product innovation:

- **Passive management, ETFs[7] and smart beta had a good second quarter with +€5.5bn in net inflows, bringing AuM to €132bn at end-June 2020.** With inflows of +€1.7bn in Q2 2020 in ETFs[7], Amundi is the number three provider in Europe[8]. In total, ETF assets totalled €53bn at 30 June 2020 (ranked fourth in Europe[8]). The success of Amundi Physical ETC Gold, launched in May 2019 (more than €3bn in AuM), illustrated its capacity to develop products that are tuned to the market.
- **The trend in Real and Structured Assets continued, with +€1.3bn in net inflows in Q2 2020 (bringing AuM to more than €85bn at end-June 2020).** Real estate posted solid net inflows at +€1.1bn (AuM of €40bn at end-June 2020). Of note was the launch of Amundi Energies Vertes, a new investment vehicle (with Credit Agricole Assurances) allowing investors to take part in the financing of the energy transition, and accessible in unit-linked life insurance contracts.

[4] *Excluding Sabadell AM*
[5] *Source: Broadridge. European open-ended & cross-border funds (excluding mandates and dedicated funds). Data at end-May 2020.*
[6] *Source: AFG at 31/12/2019*
[7] *Data including all Exchange-traded products (ETF + ETC)*
[8] *Source: Morningstar*

b) Robust activity in JVs

In the Asian JVs, activity remained high (+€3.1bn), driven by India (where net inflows were still sound at +€5.8bn), despite the Covid-19 crisis; Indian JV SBI-FM reached the top spot in the Indian market[9].

In the first half of 2020

Overall, in the first six months of the year, **the trend was positive in Medium-Long-Term assets (+€6.2bn),** driven primarily by resilient activity in the networks in France (+€3.3bn) and continued growth in the JVs (+€11.7bn), especially in India.

Outflows in treasury products (-€10.2bn) were attributable to the exit of Corporate clients affected by the crisis, which were concentrated in the March-to-May period. Since June, inflows on these products have turned positive once again.

In total, first-half outflows were limited (-€4.0bn).

II. High level of earnings maintained

In Q2 2020, adjusted net income[10] of €233m, revenues affected by the market downturn, and an improved cost/income ratio[9] A solid financial structure

Amundi's earning remained at a high level, confirming its business model is solid. The impact of the market downturn on revenues was countered by the reduction in operating expenses, which kept the cost/income ratio low and profitability high.

In this way, Amundi demonstrated its capacity to control its costs and maintain excellent operational efficiency (regardless of the market environment) while continuing to invest.

In the second quarter of 2020[10]

The trend in **total net revenues** (€625m vs. €673m in Q2 2019) **was attributable in large part to the market situation:**

- **Net asset management fees** were impacted by average market levels (down Q2/Q2) and a less-favourable mix effect.
- **Performance fees** were maintained at a good level (€34m).
- Financial income totalled €17m thanks to the market recovery from late March to end-June (mark-to-market valuation of voluntary investment portfolio and seed money).

Operating expenses were down markedly (€318m or -7.8% vs Q2 2019), thanks to the full effect of synergies from the Pioneer acquisition, the adjustment of variable compensation in relation with the profit trend, and lower travel and advertising expenses considering the context of the crisis. The operating expenses to average AuM (excl. JVs) ratio remains one of the lowest in the industry at 9.6bp.

Changes in the workforce since end-June 2019 illustrate Amundi's capacity to control its costs while maintaining investments for growth, which are financed by ongoing efforts toward greater productivity. Over 12 months, nearly 80 employees were hired in passive management/ETF, real assets and IT.

Consequently, the cost/income ratio stood at 50.9%, an improvement on Q2 2019 (-0.3 pt) and Q1 2020 (-3.2 pts).

Taking into consideration the improved contribution to €15m from equity-accounted entities (primarily the Asian joint ventures) and the tax charge, **adjusted net income, Group share, totalled €233m** (-9.5% vs. Q2 2019). Excluding the impact of the market downturn, it was comparable to that of second-quarter 2019.

[9] *Source: Association of Mutual Funds in India, open-ended funds*

[10] *Adjusted data: excluding amortisation of distribution contracts.*

In the first half of 2020[10]

Total revenues were €1,236m (-7.2% in particular due to the strong negative market effect on financial income). The trend in net asset management fees stemmed from lower average equity market levels and a less-favourable product mix[11]. The average margin was 17.7 basis points compared to 18.7 basis points in H1 2019. Performance fees increased (€76m, +27% vs H1 2019).

With operating expenses down (-4.7%), **the cost/income ratio came to 52.5%, and Gross Operating Income was €588m**.

After the contribution from equity-accounted entities (primarily the Asian joint ventures) and tax expenses, **adjusted net income, Group share was maintained at a solid €439m** (-13.1% vs. H1 2019). This erosion was due primarily to the effect of the market slump on revenues.

A solid financial structure

At 30 June 2020, Amundi's tangible equity[12] stood at €2.7bn, unchanged from 31 December 2019. The CET1 ratio was 17.8% at 30 June 2020, including the impact of the acquisition of Sabadell AM.

Furthermore, in May 2020, rating agency Fitch confirmed Amundi's A+ rating, one of the best in the sector.

III. Partnerships and growth drivers

Partnership with Société Générale renewed

The partnership between Amundi and Société Générale, originating from Amundi's creation (CAAM/SGAM merger), was renewed at the time of Amundi's IPO (November 2015) for five years.

The framework partnership agreement has once again been renewed for a five-year period beginning on 13 November 2020:

- **For the Société Générale Group, Amundi remains:**
  - the leading provider of savings products and services for its networks in France (Société Générale and Credit du Nord) and the Czech Republic (KB);
  - the partner in employee savings schemes in France;
  - and the fund manager for the Sogecap mandate.
- SGSS remains one of Amundi's two partners for fund administration and depositary services.

The adjustment of certain parameters has no significant impact on Amundi's financial trajectory.

This renewal of the partnership with Société Générale strengthens Amundi's position as a partner for Retail networks.

Banco Sabadell: a strategic partnership that boosts Amundi's European leadership, with integration well underway

Amundi's acquisition of 100% of Sabadell Asset Management, announced on 21 January 2020, was finalised on 30 June 2020. At the same time, the partnership for distribution of Amundi products through the Banco Sabadell network in Spain successfully started.

- **Sabadell AM is the fifth largest player in Spain with €21bn in AuM**[13]. In H1 2020, Sabadell displayed resiliency, with AuM down modestly by approx. 6% from the end of 2019, mainly because of a negative market effect. However, the market share[14] did increase slightly in the first half of 2020.

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[11] *Also notable was the impact of a lesser launch of structured products in 2020.*
[12] *Equity excluding goodwill and other intangibles*
[13] *At 30/06/2020*
[14] *in open-ended funds domiciled in Spain*

- **Launched in February 2020, the integration of Sabadell AM and the business partnership are well underway**, with the first Amundi products promoted in the Banco Sabadell network and Amundi funds being incorporated into Banco Sabadell offers (Private Banking and Retail Banking). Migration of Sabadell AM's IT systems to the Amundi platform (including ALTO[15]) will begin in Q4 2020.

With this acquisition, and the partnership with Banco Sabadell (Spain's second-largest bank with 1900 branches and seven million customers), Amundi will significantly strengthen its position in Spain (doubling of AuM in the eurozone's fourth-largest market), consolidate its European leadership, and once again deploy its unique business model designed to serve the Retail networks.

A value-creating transaction

Sabadell AM's net earnings are expected to be €33m in 2020 for the full year.

Synergies are estimated at €20m before taxes (vs €15-18m before taxes estimated initially), or €15m after taxes, and will come from three sources:

- insourcing of third-party funds (as funds of funds) and management delegations;
- cost optimisation (e.g. migration of Sabadell AM to Amundi's IT platform);
- acceleration of Sabadell AM's expansion (as a reminder, in 2019, Banco Sabadell's market shares were about 8% in retail banking vs. about 6% in financial savings[16]).

Around 50% of these synergies will be achieved in 2021 and 100% in 2022.

The acquisition cost of Sabadell AM is €430m[17], fully financed by Amundi's existing financial resources. This price represents a PE 2020 multiple of ~13x excl. synergies and ~9x incl. synergies.

This transaction fully meets Amundi's financial criteria in terms of acquisitions: it is accretive to Amundi's EPS and represents a return on investment of more than 10% within three years.

New JV in China: a strategic project, with implementation right on target

In December 2019, the Chinese regulatory authority approved the plan to create a wealth management Joint Venture between Amundi (55%) and BOC Wealth Management (45%). BOC Wealth Management is a subsidiary of Bank of China, the fourth-largest Chinese bank, with 500 million private customers and 11,000 branches.

Implementation of this partnership is progressing in line with targets. The first half of 2020 brought the following achievements:

- Joint venture agreement and commercial contract finalised;
- Management team has been put in place (CEO, CIO, COO);
- More than half of local hiring finalised;
- Infrastructure prepared (premises, IT platform, and more).

Final approval of the regulator (CBIRC) is expected at the end of Q3/beginning of Q4, so the first products can be launched on the Chinese market at the end of 2020.

With respect to the first months of cooperation between Amundi and BoC Wealth Management, the project's potential is confirmed, giving both partners promising growth outlooks on the Wealth Management market in China.

IV. Responsible Investing

A pioneer in responsible investing since its creation in 2010, Amundi is actively continuing to implement the three-year plan announced in October 2018, with ESG criteria[18] given increasing weight in its investment policies, the forging of many partnerships, active participation in industry-wide initiatives, and enhancement of innovation to expand its offer.

Amundi enjoys increased recognition as a reference player. Amundi is the first asset manager to use CDP[19] temperature ratings in its ESG analysis.

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[15] Amundi Leading Technologies & Operations

[16] Source: Banco Sabadell and Bank of Spain

[17] Plus an earn-out clause of up to €30m, payable in 2024.

[18] ESG criteria: Environmental, Social, and Governance

[19] CDP: International organisation (formerly Carbon Disclosure Project)

At 30 June 2020, Amundi was managing €331bn under ESG criteria. In H1 2020, ESG inflows were high (+€6bn), driven by strong demand from investors, mainly for climate-transition-related solutions and products.

This trend in activity has benefited from stepped-up ESG initiatives and innovations in the following areas:

Climate change

- Won an index mandate (replicating MSCI ACWI[20] Climate Change Index) of €2.6bn for Pensam[21];
- Amundi was selected by a group of French institutional investors to manage the first Equity index fund aligned with the Paris Agreement;
- Launched 3 ETFs replicating future PAB (Paris Aligned Benchmarks) climate indices, thereby broadening the range of "climate transition" solutions;
- Launched the GRECO fund to promote development of new green asset classes in Europe, with support from the EIB[22], thus contributing to a post-Covid green recovery

Social

- Launched “Social Impact”, the first open-ended fund (active International Equity management by CPR AM) selecting the most virtuous companies in terms of reducing social inequality.

Other ESG initiatives

- Expanded ESG ETF range with a series of launches including the MSCI Emerging ESG Leaders ETF, with the initial support of Ilmarinen[23].

V. Other information

Capital increase reserved to employees

A capital increase reserved to employees will take place in the second half of 2020. This operation, meant to strengthen employees’ sense of belonging, will be carried out in the context of existing powers as approved by the General Shareholders’ Meeting of May 2019.

The impact of this operation on net earnings per share should be negligible. The number of shares created will be capped at one million (i.e. 0.5% of capital and voting rights), and the discount offered to employees will be 30%.

Financial disclosure schedule

- 30 October 2020: publication of 9M 2020 results
- 10 February 2021: Publication of 2020 annual results

[20] *All Countries World Index*
[21] *Danish Pension Fund*
[22] *European Investment Bank*
[23] *Finnish Pension Fund*

Income statements for H1 and Q2 2019 & 2020

€m	6M 2020	6M 2019	Change	Q2 2020	Q2 2019	Change
Adjusted net revenue[1]	1,236	1,332	-7.2%	625	673	-7.3%
Net asset management revenue	1,281	1,299	-1.4%	608	658	-7.7%
o/w net management fees	1,205	1,239	-2.8%	573	618	-7.2%
o/w performance fees	76	60	26.8%	34	40	-14.6%
Net financial income and other net income	(45)	33	NS	17	15	12.0%
Operating expenses	(648)	(680)	-4.7%	(318)	(345)	-7.8%
Adjusted gross operating income [1]	588	652	-9.8%	307	329	-6.6%
Adjusted cost/income ratio[1]	*52.5%*	*51.1%*	*1.4 pts*	*50.9%*	*51.2%*	*-0.3 pts*
Equity-accounted entities	29	25	16.5%	15	12	25.7%
Cost of risk & Other	(17)	2	NS	(4)	(3)	NS
Adjusted income before taxes[1]	600	679	-11.7%	318	338	-6.0%
Taxes	(161)	(174)	-7.7%	(85)	(80)	5.3%
Adjusted net income, Group share[1]	439	505	-13.1%	233	258	-9.5%
Amortisation of distribution contracts after tax	(25)	(25)	0.0%	(12)	(13)	-0.1%
Net income, Group share	414	480	-13.8%	221	245	-10.0%

1- Adjusted data: excluding amortisation of UniCredit, SG, and Bawag distribution contracts

Change in assets under management[24] from end-December 2018 to end-June 2020

(€bn)	AuM	Net inflows	Market and foreign exchange effect	Change in AuM vs. previous quarter
At 31/12/2018	1,425			-3.4%
Flows in Q1 2019		-6.9	+58.3	
At 31/03/2019	1,476			+3.6%
Flows in Q2 2019		-4.8	+15.1	
At 30/06/2019	1,487			+0.7%
Flows in Q3 2019		+42.7	+33.5	
At 30/09/2019	1,563			+5.1%
Flows in Q4 2019		+76.8	+13.7	
At 31/12/2019	1,653			+5.8%
Flows in Q1 2020		-3.2	-122.7	
At 31/03/2020	1,527			-7.6%
Flows in Q2 2020		-0.8	+64.9	
At 30/06/2020	**1,592**			**+4.2%**

Assets under management and net inflows by client segment[24]

(€bn)	AuM 30/06/2020	AuM 30/06/2019	% chg. vs. 30/06/2019	Inflows Q2 2020	Inflows Q2 2019	Inflows H1 2020	Inflows H1 2019
French networks	104	108	-3.6%	-1.2[2]	+0.4	+1.2	-2.7
International networks	118	123	-4.1%	-0.2	-0.1	-2.7	+2.3
Third-party distributors	178	180	-1.5%	-3.1	+0.5	-0.5	-1.3
Retail (excl. JVs)	**400**	**412**	-2.8%	-4.5	+0.8	-2.0	-1.8
Institutionals[3] and sovereigns	372	359	+3.7%	+3.9	-7.0	-1.5	-8.5
Corporates	69	67	+1.6%	+1.7	-2.3	-8.5	-8.2
Employee Savings	62	61	+2.5%	+2.8	+2.8	+2.9	+2.2
CA & SG insurers	451	443	+1.8%	-7.7	-0.1	-7.6	+6.3
Institutionals	**953**	**930**	**+2.6%**	**+0.6**	**-6.7**	**-14.7**	**-8.2**
JVs	238	146	**+63.7%**	**+3.1**	**+1.0**	**+12.7**	**-1.8**
TOTAL	**1,592**	**1,487**	**+7.1%**	**-0.8**	**-4.8**	**-4.0**	**-11.7**
Average first-half AuM (excl. JVs)	**1,366**	**1,326**	**+3.0%**	**/**	**/**	**/**	**/**

1. Assets under management and inflows (excl. Sabadell AM) include assets under advisory and assets marketed and take into account 100% of the Asian JVs' inflows and assets under management. For Wafa in Morocco, assets are reported on a proportional consolidation basis; 2. French networks: net inflows on medium/long-term assets +€1.2bn in Q2 2020 and -€0.2bn in Q2 2019; 3. Including funds of funds.

[24] *Excluding Sabadell AM*

Assets under management and net inflows by asset class[25]

(€bn)	AuM 30/06/2020	AuM 30/06/2019	% chg. vs. 30/06/2019	Inflows Q2 2020	Inflows Q2 2019	Inflows H1 2020	Inflows H1 2019
Equities	234	225	+3.9%	+4.4	-3.1	+6.7	-3.0
Multi-asset	234	240	-2.7%	-0.6	-5.3	-5.3	-7.6
Bonds	617	610	+1.2%	-2.2	+4.9	-9.3	+7,4
Real, alternative and structured assets	85	79	+7.4%	+1.3	+2.6	+2.6	+3.7
MLT ASSETS excl. JVs	**1,170**	**1,155**	**+1.3%**	**+2.9**	**-0.9**	**-5.4**	**+0.4**
Treasury products excl. JVs	183	186	-1.6%	-6.8	-5.0	-11.3	-10.3
ASSETS excl. JVs	**1,353**	**1,341**	**+0.9%**	**-3.8**	**-5.8**	-16.7	**-9.9**
JVs	238	146	+63.7%	+3.1	+1.0	+12.7	-1.8
TOTAL	**1,592**	**1,487**	**+7.1%**	**-0.8**	**-4.8**	**-4.0**	**-11.7**
o/w MLT Assets	**1,376**	**1,271**	**+8.3%**	**+3.5**	**-0.4**	**+6.2**	**+1.7**
o/w Treasury products	**215**	**215**	**-0.1%**	**-4.3**	**-4.4**	**-10.2**	**-13.4**

Assets under management and net inflows by region[25]

(€bn)	AuM 30/06/2020	AuM 30/06/2019	% chg. vs. 30/06/2019	Inflows Q2 2020	Inflows Q2 2019	Inflows H1 2020	Inflows H1 2019
France[3]	864[2]	849	+1.8%	+0.2	-2.9	-4.1	-3.5
Italy	167	171	-2.0%	-0.5	-0.7	-2.3	-4.5
Europe excl. France and Italy	173	167	+3.2%	+0.6	+2.2	+1.6	-0.5
Asia	292	203	+44.0%	+0.9	-1.4	+5.6	-6.6
Rest of world[4]	95	96	-1.9%	-1.9	-2.0	-4.8	+3.4
TOTAL	**1,592**	**1,487**	**+7.1%**	**-0.8**	**-4.8**	**-4.0**	**-11.7**
TOTAL excl. France	**727**	**638**	**+14.0%**	**-1.0**	**-1.9**	**+0.2**	**-8.2**

1. Assets under management and inflows (excl. Sabadell AM) include assets under advisory and assets marketed and take into account 100% of the Asian JVs' inflows and assets under management. For Wafa in Morocco, assets are reported on a proportional consolidation basis; 2. Of which €434bn for CA & SG insurers; 3. France: net inflows on medium/long-term assets: +€4.4bn in Q2 2020; +€2.7bn in Q2 2019; 4. Mostly the United

[25] *Excluding Sabadell AM*

Methodological appendix

I. Income statement, H1 and Q2 2020 and 2019

1. Accounting data:
In H1 2020 and 2019, information corresponds to data after amortisation of distribution contracts.

2. Adjusted data
To present an income statement that is closer to the economic reality, the following adjustments have been made: restatement of amortisation of distribution contracts (deducted from net revenues) with SG, Bawag and UniCredit.

Amortisation of distribution contracts:

- Q2 2019: €18m before tax and €13m after tax
- H1 2019: €36m before tax and €25m after tax

Q2 2020: €18m before tax and €12m after tax
H1 2020: €36m before tax and €25m after tax

II. Reminder of amortisation of distribution contracts with UniCredit

When Pioneer was acquired, 10-year distribution contracts were entered into with UniCredit networks in Italy, Germany, Austria, and the Czech Republic; the gross valuation of these contracts came to €546m (posted to the balance sheet under Intangible Assets). At the same time, a Deferred Tax Liability of €161m was recognised. Thus the net amount is €385m which is amortised using the straight-line method over 10 years, as from 1 July 2017.
In the Group's income statement, the net tax impact of this amortisation is €38m over a full year (or €55m before tax), posted under "Other revenues", and is added to existing amortisations of the SG and Bawag distribution contracts of €12m after tax over a full year (€17m before tax).

III. Alternative Performance Indicators[26]

To present an income statement that is closer to the economic reality, Amundi publishes adjusted data which are defined as follows: they have excluded 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 combined and adjusted data are reconciled with accounting data as follows:

accounting data   adjusted data

€m	6M 2020	6M 2019	Q2 2020	Q2 2019
Net revenues (a)	**1201**	**1297**	**607**	**656**
+ Amortisation of distribution contracts before tax	36	36	18	18
Adjusted net revenues (b)	**1236**	**1332**	**625**	**673**
Operating expenses (c)	**-648**	**-680**	**-318**	**-345**
Gross operating income (e) = (a)+(c)	**552**	**616**	**289**	**311**
Adjusted gross operating income (f) = (b)+(c)	**588**	**652**	**307**	**329**
Cost/income ratio (c)/(a)	***54.0%***	***52.5%***	***52.4%***	***52.6%***
Adjusted cost/income ratio (c)/(b)	***52.5%***	***51.1%***	***50.9%***	***51.2%***
Equity-accounted entities (g)	29	25	15	12
Cost of risk & Other (h)	-17	2	-4	-3
Income before tax (i) = (e)+(g)+(h)	**564**	**644**	**300**	**320**
Adjusted income before tax (j) = (f)+(g)+(h)	**600**	**679**	**318**	**338**
Taxes (k)	-150	-164	-79	-75
Adjusted taxes (l)	-161	-174	-85	-80
Net income, Group share (i)+(k)	**414**	**480**	**221**	**245**
Adjusted net income, Group share (j)+(l)	**439**	**505**	**233**	**258**

[26] *Please refer to section 4.3 of the 2019 Universal Registration Document filed with the French AMF on 14/04/2020*

About Amundi

Amundi, the leading European asset manager, ranking among the top 10 global players[27], offers its 100 million clients – retail investors, institutional investors and companies – a complete range of savings and investment solutions in active and passive management, in traditional or real assets.

With its six international investment hubs[28], financial and extra-financial research capabilities and long-standing commitment to responsible investment, Amundi is a key player in the asset management landscape.

Amundi clients benefit from the expertise and advice of 4,500 employees in nearly 40 countries. Created in 2010 and listed on the stock exchange in 2015, Amundi currently manages more than €1.6 trillion in assets[29].

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Press contact:	Investor contacts:	
Natacha Andermahr	**Anthony Mellor**	**Thomas Lapeyre**
Tel. +33 1 76 37 86 05	Tel. +33 1 76 32 17 16	Tel. +33 1 76 33 70 54
natacha.andermahr-sharp@amundi.com	anthony.mellor@amundi.com	thomas.lapeyre@amundi.com

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This information is based on scenarios that employ a number of economic assumptions in a given competitive and regulatory context. As such, the projections and results indicated may not necessarily come to pass due to unforeseeable circumstances. The reader should take all of these uncertainties and risks into consideration before forming their own opinion.

The figures presented were prepared in accordance with IFRS guidelines.

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[27] *Source: IPE "Top 500 Asset Managers", published in June 2020, based on AuM at 31/12/2019.*
[28] *Boston, Dublin, London, Milan, Paris and Tokyo.*
[29] *Amundi data at 30/06/2020*