

Amundi

Activity and results for the first half of 2017

Strong net inflows of +€29 billion **Substantial growth of net income at €308m¹ (+11%)**

Activity	<ul style="list-style-type: none">– Assets under management of €1,121 billion² at 30 June 2017 (€1,342 billion³ including Pioneer Investments)– Strong net inflows² in H1 2017: +€28.8bn, driven by Retail<ul style="list-style-type: none">– In Q2 2017: sustained inflows in Retail (+€7.5bn), notably in medium/long term⁴ assets, and outflows (-€11.2bn) among Institutionals in treasury products (due to seasonality effects)
Results¹	<ul style="list-style-type: none">– Net revenue of €910m, up 8.6% vs. H1 2016<ul style="list-style-type: none">– Q2: €478m (+7.9% vs. Q2 2016)– A 2-pt improvement of cost/income ratio¹: 49.9% in H1 2017 and 48.5% in Q2 2017– Net income Group share of €308m¹, up 10.9% vs. H1 2016<ul style="list-style-type: none">– Q2: €162m¹ (+9.0% vs. Q2 2016)
Financial structure	<ul style="list-style-type: none">– Net tangible assets⁵: €4.6bn and €1.5bn pro forma⁶ reflecting the acquisition of Pioneer Investments– CET1 ratio >10% pro forma⁶– A+ rating by Fitch maintained
Pioneer Investments	<ul style="list-style-type: none">– Acquisition effective 3 July as scheduled– Organization and management team for the new Group in place– Launch of the integration plan

Paris, 28 July 2017

Amundi's Board of Directors, chaired by Xavier Musca, convened on 27 July 2017 to review the financial statements for the first half of 2017.

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

“Amundi confirmed its profitable growth momentum in the first half of 2017. Its net inflows and results growth trends exceed the targets announced at the time of the IPO. The acquisition of Pioneer Investments has been finalized on 3 July as planned. Its integration is well on track. This acquisition is an important step in the implementation of Amundi's growth strategy and will be a strong source of value creation.”

¹ Excluding costs associated with the integration of Pioneer Investments amounting to €32m before tax and €21m after tax in H1 2017.

² Assets under management and inflows include assets under advisory and assets sold and take into account 100% of assets under management and inflows on the Asian JVs. For Wafa in Morocco, assets are reported on a proportional consolidation basis.

³ Data combined prior to harmonisation of accounting methods for AuM

⁴ Assets excluding treasury products: equities, bonds, multi-asset, real, alternative and structured assets.

⁵ Net tangible assets: Equity Group share net of goodwill and intangible assets.

⁶ Pro forma the acquisition of Pioneer Investments, which is not yet consolidated at 30 June 2017.

1. Activity: assets under management of €1,121 billion at 30 June 2017; net inflows of +€28.8bn in the first half of 2017, driven by Retail

Amundi's assets under management amounted to €1,121 billion at 30 June 2017, reflecting excellent business activity (net inflows of +€28.8bn in H1 2017) and a positive market effect (+€9.5bn) owing to favourable market conditions, especially in equities. **These net inflows trends exceed the target announced at the IPO (+€40bn in average per year).**

The Retail segment has seen substantial activity, with net inflows in H1 2017 of +€22.9bn, achieved across all distribution channels, compared to +€10.1bn in H1 2016. Inflows were sustained on the French networks, especially in medium/long-term assets (+€2.4bn), continuing the positive trend observed since the second half of 2016. Inflows were also most significant for third-party distributors (+€9.9bn vs +€3.7bn in H1 2016), with particularly positive momentum in Europe, and for joint ventures (+€7.3bn). The international networks (+€4.7bn, largely attributable to the Italian networks) saw significant inflows from the UniCredit networks (+€3.5bn), demonstrating a positive start to the distribution agreement.

The Institutionals segment recorded a good level of net inflows (+€5.9bn in H1 2017), comparable to the H1 2016 level, despite some exceptional negative developments, particularly the reinternalization of a mandate by the ECB in Q1 2017 (-€6.9bn) and seasonal effects in treasury products. Sovereigns and other Institutionals, as well as mandates from CA and SG insurance companies, contributed positively to net inflows. Net flows in Corporates were negative (-€4.9bn), as in H1 2016.

Net inflows were generated on all asset classes, with medium/long-term assets representing +€12.7bn. To be noticed, the continued strong inflows for ETFs (+€7.7bn), positioning Amundi as the n° 3 in Europe⁷ and for real estate (+€2.2bn).

Finally, net inflows remained primarily driven by international sources (67% of total inflows), which totalled +€19.4bn, i.e. 67% of total inflows). Activity was dynamic in both Europe (Italy, Germany mostly) and Asia. Year-on-year, international assets under management increased by 25%, representing 29% of total assets under management and 44% of total assets excluding Group insurers.

In the second quarter of 2017

The €3.7bn outflow is attributable to contrasting trends:

- **Retail net inflows remained strong (+€7.5bn)**, driven in particular by momentum in third-party distributors and the international networks. Net inflows in medium/long-term assets on the French networks remained dynamic (+€1.4bn), while joint ventures saw moderate outflows over the quarter due to a negative result in China, partially offset by positive flows in India and South Korea.
- The **Institutionals** segment recorded a net negative flow of -€11.2bn due to significant outflows in treasury products. This follows a very substantial inflow in the first quarter (+€17.1bn).

⁷ In H1 2017; source: DB ETF Monthly Review & Outlook, end-June 2017

2. Results⁸ for the first half of 2017: net income of €308m, a substantial increase (+10.9%); solid revenue growth and an improved cost/income ratio (-2 points)

Amundi's results in the first half of 2017 confirm a trend of steady growth, exceeding the targets announced at the IPO (+5% average annual growth of net earnings per share from 2016 to 2019).

Net income Group share was up 10.9%⁸ from the first half of 2016. This excellent result was driven by solid revenue growth (€910m) of +8.6% linked to the 12-month growth in assets under management. Performance fees totalled €64m (+20%). A notable result was obtained in financial income (€56m, +60% vs. H1 2016), attributable to the disposal of financial assets to finance the acquisition of Pioneer.

Operating expenses were under control at €454m⁸ (+4.4%), leading to a 2-point⁸ improvement in the cost/income ratio, which stood at 49.9%.

The share of net income of equity-accounted entities rose to €16m (+23%). Taking into account a tax expense of €159m, net income Group share amounted to €308m⁸. Published net income Group share (which includes the costs related to the integration of Pioneer, valued at €21m after tax) amounted to €288m, up 3.4% on H1 2016.

In the second quarter of 2017

Net income Group share was €162m⁹, an increase of 9.0% compared to Q2 2016. Net revenue was up 7.9% to €478m. Operating expenses came to €232m⁹, leading to a 1.9-point improvement in the cost/income ratio, which stood at 48.5%.

Published net income (which includes the costs related to the integration of Pioneer) was €145m.

3. Acquisition of Pioneer Investments

On 3 July 2017, Amundi finalised the acquisition of Pioneer Investments from UniCredit for €3.5bn. The work carried out over the past six months has helped reaffirm the growth strategies of the new group, define priorities for its business lines and formulate an integration plan.

These preparatory efforts confirmed the strategic and industrial rationale of the merging Amundi and Pioneer Investments and the resulting potential for value creation. The organisation and governance of the new Group are in place, allowing the merger can be implemented.

The synergies will be in line with what was announced in December 2016: €150m in cost synergies and €30m in revenue synergies are expected in a full year (2020) upon completion of the integration process. €190m in costs associated with the integration will also be recognised in 2017 and 2018.

Amundi's capital increase initiated on 14 March 2017 was a considerable success. A total of €1.4bn was raised¹⁰ and 33,585,093 new shares were issued on 10 April 2017. The free float now accounts for 29.8% of shares, and Crédit Agricole Group now only holds 70% of the share capital. After this capital increase, Amundi has the largest market capitalisation among asset managers in Europe and ranks number five worldwide at €13.1bn¹¹.

At 30 June 2017, assets managed by Pioneer Investments totalled €221bn, bringing total combined AuM¹² for the Group to €1,342 billion. The results¹³ for Pioneer Investments are in line with expectations, with net revenues of €422m, and net income of €127, normalised to €120m¹⁴.

⁸ Excluding costs associated with the integration of Pioneer Investments amounting to €32m before tax and €21m after tax in H1 2017.

⁹ Excluding costs associated with the integration of Pioneer Investments amounting to €26m before tax and €17m after tax in Q2 2017.

¹⁰ Gross amount, including additional paid-in capital

¹¹ At 25 July 2017

¹² Data combined prior to harmonisation of accounting methods for AuM

¹³ Accounts reviewed by its Board

¹⁴ Taking into account in particular a normalised tax rate

Financial disclosure schedule

- 27 October 2017: publication of results for the first nine months of 2017

Income statement

(€m)	% chg. vs. H1 2016			% chg. vs. Q2 2016		
	H1 2017	H1 2016	H1 2016	Q2 2017	Q2 2016	Q2 2016
Net revenue	910	838	+8.6%	478	443	+7.9%
Net asset management revenue	864	813	+6.2%			
<i>o/w net fee and commission income</i>	799	760	+5.2%			
<i>o/w performance fees</i>	64	53	+20.5%	41	35	+15.7%
Net financial income and other revenue ¹⁵	46	25	+87.0%			
Operating expenses	-454	-435	+4.4%	-232	-223	+3.9%
Gross operating income	456	403	+13.1%	246	220	+11.9%
<i>Cost/income ratio (%)</i>	<i>49.9%</i>	<i>51.9%</i>	<i>-2.0 pts</i>	<i>48.5%</i>	<i>50.3%</i>	<i>-1.9 pts</i>
Cost of risk	-3	0	NS	-2	0	NS
Net gains/losses on other assets	-1	0	NS	0	0	+31.1%
Share of net income of equity-accounted entities	16	13	+23.0%	8	6	+28.6%
Income before tax	467	416	+12.3%	252	226	+11.3%
Taxes	-159	-137	+15.7%	-90	-78	+16.0%
Net income Group share	308	278	+10.9%	162	148	+9.0%
Pioneer integration costs after tax	-21	0	NS	-17	0	NS
Published net income - Group share	288	278	+3.4%	145	148	-2.6%

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

(€bn)	Assets under management	Inflows	Market effect	Scope effect	
31/12/2015	985				
Flows in Q1 2016		+13.8	-11.6	/	
31/03/2016	987				
Flows in Q2 2016		+3.0	+13.6	/	
30/06/2016	1,004				
Flows in Q3 2016		+22.3	+19.7	+8.6	KBI GI
30/09/2016	1,054				
Flows in Q4 2016		+23.1	+0.1	+5.0	CAI Investors
31/12/2016	1,083				
Flows in Q1 2017		+32.5	+12.5	/	
31/03/2017	1,128				
Flows in Q2 2017		-3.7	-3.1	/	
30/06/2017	1,121				
	/	/	/	+221	Pioneer Investments
Combined AuM¹⁶ of Amundi + Pioneer	1,342				

¹⁵ Of which €56m in net financial income in H1 2017 vs. €35m in H1 2016

¹⁶ Prior to the harmonisation of accounting methods for AuM

Details of assets under management and net inflows by client segment

(€bn)	AUM 30/06/2017	AUM 30/06/2016	% chg. vs. 30/06/2016	Inflows H1 2017	Inflows H1 2016	Inflows Q2-17	Inflows Q1-17	Inflows Q2-16
French networks*	103	95	+7.9%	+1.0	-4.0	-0.3	+1.3	+0.6
International networks	29	22	+32.5%	+4.7	+0.2	+3.7**	+1.0	+0.0
JVs	105	82	+27.9%	+7.3	+10.2	-0.8	+8.1	+6.7
Third-party distributors	93	69	+35.6%	+9.9	+3.7	+4.9	+4.9	+1.0
Retail	330	268	+23.1%	+22.9	+10.1	+7.5	+15.3	+8.3
Institutionals **	277	243	+13.8%	+6.4	+4.6	-2.7	+9.1	-3.9
Corporates	101	84	+19.7%	-3.2	-1.3	-10.0	+6.8	+2.8
CA & SG insurers	414	409	+1.3%	+2.7	+3.4	+1.6	+1.1	-4.2
Institutionals	791	736	+7.5%	+5.9	+6.7	-11.2	+17.1	-5.3
TOTAL	1,121	1,004	+11.7%	+28.8	+16.8	-3.7	+32.5	+3.0

* French networks: net inflows on MLT assets +€2.4bn in H1 2017, of which +€1bn in Q1 and +€1.4bn in Q2

** Net Inflows in International networks in Q2 2017 include the reclassification of €1.1bn of net inflows from UniCredit networks which were included in Q1 2017 in Third-party distributors

*** Including Sovereigns and funds of funds

**** Including Employee savings

Details of assets under management and net inflows by asset class

(€bn)	AUM 30/06/2017	AUM 30/06/2016	% chg. vs. 30/06/2016	Inflows H1 2017	Inflows H1 2016	Inflows Q2-17	Inflows Q1-17	Inflows Q2-16
Equities	165	125	+31.4%	+5.2	+5.7	+3.2	+2.0	+3.4
Diversified	135	118	+14.1%	+7.2	+2.7	+2.8	+4.4	+1.3
Bonds	547	526	+3.9%	+6.3	+6.3	-4.0	+10.3	+4.6
Real, alternative and structured assets	74	65	+14.0%	-6.0	+2.5	+0.2	-6.1*	+1.1
Medium/long-term assets	920	835	+10.1%	+12.7	+17.2	+2.1	+10.6	+10.3
Treasury products	201	168	+19.6%	+16.1	-0.4	-5.8	+21.9	-7.3
TOTAL	1,121	1,004	+11.7%	+28.8	+16.8	-3.7	+32.5	+3.0

* Impact of the reinternalization of an ABS management mandate by the ECB (-€6.9bn)

Details of assets under management and net inflows by region

(€bn)	AUM 30/06/2017	AUM 30/06/2016	% chg. vs. 30/06/2016	Inflows H1 2017	Inflows H1 2016	Inflows Q2-17	Inflows Q1-17	Inflows Q2-16
France	794*	743	+6.9%	+9.4	+1.6	-11.4	+20.8	-3.0
Europe excl. France	142	105	+35.0%	+10.7	+4.0	+8.2	+2.5	-0.0
Asia	155	130	+18.9%	+7.5	+12.0	-0.5	+8.0	+7.0
Rest of world	30	26	+18.6%	+1.3	-0.7	+0.1	+1.2	-1.0
TOTAL	1,121	1,004	+11.7%	+28.8	+16.8	-3.7	+32.5	+3.0
TOTAL excl. FRANCE	327	261	+25.4%	+19.4	+15.2	+7.7	+11.7	+5.9

* of which €400bn for Group insurers

About Amundi

Amundi is Europe's largest asset manager by assets under management and ranks in the top 10 globally¹⁷. With the acquisition of Pioneer Investments, the Group now manages over €1.3 billion¹⁸ in assets and has six primary management platforms¹⁹. Amundi offers its clients in Europe, the Asia-Pacific region, the Middle East and the Americas a wealth of market expertise and a full range of investment solutions in passive and active management and real and alternative assets. Headquartered in Paris and listed on the stock market since November 2015, Amundi is Europe's number one asset management company in terms of market capitalisation and fifth in the world²⁰.

With an expanded scope, Amundi can offer its clients an enhanced range of tools and services. Thanks to its unparalleled research capabilities and the talent of 5,000 employees and market experts based in 37 countries, Amundi can provide individual, institutional and corporate clients with innovative savings and investment solutions that meet their specific needs, financial goals and risk profiles.

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¹⁷ Source: IPE, "Top 400 Asset Managers", published in June 2017 based on assets under management as of December 2016.

¹⁸ Source: combined pro forma data for Amundi and Pioneer Investments at end-December 2016.

¹⁹ Management platforms: Boston, Dublin, London, Milan, Paris and Tokyo

²⁰ Stock market capitalisation at 30 April 2017