Amundi

Results for the first nine months and third quarter of 2015

For the first nine months: robust inflows of €65.8 billion and net income up 8%
Net income for the third quarter down 15%,
compared to a high level in the third quarter of 2014

- **Net inflows €65.8 billion in the first nine months of 2015, of which €35.0 billion in long-term assets[1]**
- **Net inflows still very dynamic in Q3 2015: €19.2 billion, of which €7.5 billion in long-term assets[1]**
- **Quasi stable assets under management over the quarter: €952 billion at 30 September 2015 compared to €954 billion at 30 June 2015, with the market effect (-€21.2 billion) cancelling out inflows (+€19.2 billion) in the quarter**
- **Net income Group share in the first nine months of 2015: €394 million, up 8% year-on-year**
- **Nine-month revenues up 6%, in line with the increase in assets under management**
- **Net income Group share for the third quarter of 2015: €120 million, down 15% year-on-year**
- **Cost efficiency still at best-in-class[2] levels: cost-to-income ratio of 52.7% in the first nine months of 2015, and of 53.3% in the third quarter of 2015**

Paris, 27 October 2015

Amundi's Board of Directors, chaired by Jean-Paul Chifflet, met on Tuesday 27 October 2015 to review the accounts for the third quarter and first nine months of 2015.

Commenting on these results, Yves Perrier, CEO, said:

"These results confirm the robustness of Amundi's diversified business model, enabling us to continue our commercial development in our key markets and maintain a high level of operational efficiency despite a more challenging market environment."

A more challenging market environment

After a very favourable first half, the markets turned around in the third quarter due to fears related to the slowdown in the Chinese economy and emerging markets and uncertainties over the US Federal Reserve's monetary policy. European equity markets (MSCI Europe) lost 9% over the quarter (7% decrease for the CAC 40). This decrease is mainly due to the negative market effect in the quarter (-€21.2 billion). In fixed income markets, interest rates went back down during the quarter, with the yield on the 10-year French government bond (OAT) yield returning to its level of early 2015 (0.9%) at end-September, although this is still over 100bp lower than its level of end-September 2014. The three-month Euribor remained negative, hovering close to zero.

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[1] *Assets excluding Treasury: equities, fixed income, balanced, guaranteed/structured, alternative/illiquid assets.*
[2] *Analysis by the Company based on disclusures by its main peers: Aberdeen, AXA IM, Alliance Bernstein, Blackrock, Franklin Templeton, GAM, Henderson, Natixis AM, Schroders, TRowe Price.*

Activity: still robust net inflows in the third quarter of 2015

In the third quarter of 2015, **net inflows** amounted to **€19.2 billion**. Inflows slowed down, however, compared with the first half, as a result of the market turmoil and the seasonal effect linked to the summer period.

By **client segment**[3], net inflows in the quarter were divided equally between Retail and Institutional clients:

- net inflows from **Retail** clients amounted to **€9.6 billion**, driven by joint ventures[4] (JV) (€8.1 billion);
- net inflows from **Institutional** clients continued to enjoy **strong momentum**, also amounting to **€9.6 billion**, of which €6.9 billion for Institutionals & Corporates and €2.7 billion for Crédit Agricole and Société Générale insurers.

By asset class, net inflows into Treasury products reached €11.7 billion, €7.5 billion for long-term assets, of which €3.8 billion for equities, driven primarily by ETFs and institutional mandates.

66% of total net quarterly inflows originates from outside France, i.e. €12.6 billion. International **assets under management** amounted to €216 billion at 30 September 2015 (i.e. **23% of total assets** under management).

In the first nine months of the year, **net inflows** rose to **€65.8 billion**. As in the quarter, inflows were **evenly split** between the Retail (€34.3 billion) and Institutional (€31.5 billion) **client segments**[1].

Inflows were also **evenly divided by asset class**: €30.7 billion for Treasury products and €35 billion for long-term assets, of which €4.5 billion for equities, €19 billion for bonds and €11 billion for diversified management.

Net inflows outside France accounted for **60% of total net inflows** (€39.4 billion out of €65.8 billion) over **nine months**. These inflows came mainly from Europe and Asia (more than 95% of international net inflows for the first nine months came from these two zones).

Assets under management remained quasi **stable over the quarter,** with **€952 billion** at 30 September 2015 compared to €954 billion at 30 June 2015, with the **negative market effect** of **€21.2 billion** in the period more than cancelling out net inflows over the period. **In the first nine months of 2015**, **assets under management increased by 9%**, almost exclusively through net inflows.

[3] *See Table - Assets under management and net inflows by client segment*

[4] *Asset management joint ventures with the banks Agricultural Bank of China, State Bank of India, NongHyup in South Korea and Banque Commerciale du Maroc (Wafa Bank). The joint ventures' assets under management are fully consolidated in the Group's assets under management, with the exception of Wafa Bank management (34%)*

Net income up 8% over nine months

In the first nine months of 2015, net income attributable to the Group amounted to €394 million, an 8% increase year-on-year. This reflects 6% growth in net revenues, a 7.6% increase in costs and a strong rise in the contribution of the Asian joint ventures.

Net revenues were on an **upward trend,** with an **increase of 6%** year-on-year to **€1,226 million**, reflecting the following developments:

- **net management fees increased by 11%**, in line with the rise in assets under management;
- **performance fees**, however, **dropped by 38%** due to the less favourable market environment accounting for only 6% of net revenues compared with 11% in the first nine months of 2014.

Operating expenses were up 7.6% to €647 million. Excluding currency effect (strength of US dollar) and scope effect (integration of BAWAG PSK Invest), the increase is limited to 4%, reflecting organic growth investments (mainly international hires).

Gross operating income was up 4% in the first nine months of 2015 compared with the same period in 2014, to €579 million. The **cost-to-income ratio** came in at **52.7%** (52% for the first nine months of 2014).

The share of net income of equity-accounted entities amounted to €19 million over the first nine months of 2015, up 52% from the same period in 2014.

In the third quarter of 2015, net income attributable to the Group, albeit at a **high level of €120 million,** was down **15%** compared with the same quarter of last year, which was a very high comparison basis.

Net revenues, at €377 million, decreased by 10% compared with the same quarter of last year due to the **drop in performance fees** (-61%) related to the market turmoil.

Operating expenses were down 1% in the third quarter of 2015 compared with the same quarter of last year, at €201 million. This reflects the decline in variable remuneration resulting from the change in net income.

The **cost-to-income ratio** remained at a competitive[5] level (53.3%).

Forecast results for 2015

Subject to any significant change in market parameters, the Group confirms the forecast results for fiscal year 2015 contained in the *Document de Base* (Registration Document) filed with the AMF on 6 October 2015 and registered under number I.15-073, namely **net income attributable to the Group of €515 million to €535 million excluding charges related to the listing of the company's shares**, a **5% to 9% growth** compared with the net income attributable to the Group for 2014 (€490 million) restated for the application of the IFRIC Interpretation 21 as of 1 January 2015.

[5] *Company analysis based on the publicly available information of its principal competitors: Aberdeen, AXA IM, Alliance Bernstein, Blackrock, Franklin Templeton, GAM, Henderson, Natixis AM, Schroders, TRowe Price.*

Summary income statement

(in € million)	9M 2015	9M 2014	Change (%)	Q3 2015	Q3 2014	Change (%)
Net revenue	1,226	1,156	+6.0%	377	420	-10.2%
of which performance fees	*77*	*123*	*-37.8%*	*22*	*57*	*-60.6%*
Operating expenses	-647	-601	+7.6%	-201	-203	-0.7%
Gross operating income	**579**	**556**	**+4.2%**	**176**	**217**	**-19.1%**
Cost-to-income ratio (%)	*52.7%*	*52.0%*	*+0.8 pts*	*53.3%*	*48.2%*	*+5.1 pts*
Other elements	5	-1	NS	0	0	NS
Share of net income of equity-accounted entities	19	12	+51.6%	6	5	+34.4%
Pre-tax income	**603**	**567**	**+6.4%**	**182**	**222**	**-18.1%**
Income tax charge	-208	-201	+3.0%	-61	-80	-23.9%
Net income (Group share)	**394**	**365**	**+8.1%**	**120**	**142**	**-15.3%**
Assets under management, end of period (in € bn)	952.0	854.1	+11.5%	952.0	854.1	+11.5%
Average assets under management, excl. JV (in € bn)	901.9	795.4	+13.4%	910.0	814.6	+11.7%
Net inflows (in € bn)	65.8	20.0	x3.3	19.2	8.6	x2.2

Change in assets under management from 30/09/2014 to 30/09/2015

(€ bn)	Assets under management	*Net inflows*	*Market effect*	*Scope effect*
30/09/2014	**854.1**			
Flows Q4 2014		*12.5*	*10.9*	
31/12/2014	877.5			
Flows Q1 2015		*24.0*	*47.5*	*5.3*
31/03/2015	954.3			
Flows Q2 2015		*22.6*	*-22.9*	
30/06/2015	954.0			
Flows Q3 2015		*19.2*	*-21.2*	
30/09/2015	**952.0**			

Detail of assets under management and net inflows by client segment

(in € bn)	Inflows for the first 9 months 2015	2014	Change (%)		Inflows for the third quarter 2015	2014	Change (%)	Assets 30/09/2015
Retail	**34.3**	**9.0**	**+279.7%**		**9.6**	**4.3**	**+123.8%**	**248**
French networks	2.1	-1.8	NS	*(a)*	-0.5	-0.1	+313.5%	105
International networks & JV	20.4	3.5	+476.8%	*(b)*	8.5	1.5	+466.6%	79
Third-party distributors	11.8	7.3	+62.6%		1.6	2.9	-44.5%	64
Institutionals & Corporates	**31.5**	**11.0**	**+186.6%**		**9.6**	**4.4**	**+120.2%**	**704**
Institutionals & Sovereigns	20.1	-3.1	NS		6.2	-0.8	NS	229
Corporates & Corporate savings	4.6	2.7	+69.1%		0.6	1.5	-58.1%	79
CA & SG insurers	6.8	11.4	-40.2%		2.7	3.6	-25.1%	396
TOTAL	**65.8**	**20.0**	**+228.6%**		**19.2**	**8.6**	**+122.0%**	**952**

(a) of which €1.6 billion excluding money market instruments for the first nine months of 2015, -€0.2 billion excluding money market instruments for the first nine months of 2014

(b) of which JV: €18.8 billion for the first nine months of 2015, €2.9 billion for the first nine months of 2014

About Amundi

Amundi ranks no.1 in Europe and in the global Top 10[6] of the asset management industry with more than €950 billion in assets under management[7].

Present at the core of the main investment areas in more than 30 countries, Amundi offers a complete range of funds covering all asset classes and the main currencies.

Amundi develops savings solutions tailored to the needs of more than 100 million retail clients around the world and designs customised, innovative products generating high returns for institutional clients, adapted to their business requirements and risk profile.
It contributes to funding the economy by channelling savings towards business development.

Amundi has become the leading European asset manager, recognised for:

- product performance and transparency;
- high-quality client relationships based on a long-term advisory approach;
- efficient organisation and teams' dedication to serving clients;
- commitment to building sustainable development and socially responsible investment criteria into its investment policies.

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[6] No.1 in total assets under management of management companies with their main headquarters in Europe - Source: IPE Top 400 asset managers published in June 2015, based on assets under management at 31 December 2014
[7] Amundi figures as of 30 September 2015.