
AMUNDI FINANCE
Annual report 2019

Table of contents

1. Reports of the Board of Directors on the financial year ended 31 December 2019	3
2. Statutory auditor's report on the financial year ended 31 December 2019	23
3. Declaration by the Chief Executive Officer	69

01

Reports of the Board of Directors on the financial year ended 31 December 2019:

- Management report on the financial statements
- Corporate governance report

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF AMUNDI FINANCE

On the corporate financial statements for the year ended 31 December 2019

BUSINESS ACTIVITY DURING THE YEAR

The main businesses of the company Amundi Finance are the following:

- Granting guarantees to funds,
- Issuing notes via its subsidiaries, or directly,
- Swaps and collateralisation among the guaranteed funds, its subsidiaries and the market.

1. Fund guarantees

	2018 commitments	2019 commitments	change
Formula-based funds not eligible for the French equity savings plan (PEA)	5,392,353,358	3,697,826,992	-31%
Formula-based funds eligible for the French equity savings plan (PEA)	3,745,289,364	4,018,256,569	7%
Insurance portfolio funds	5,622,216,706	5,349,392,349	-5%
Other guaranteed funds (money market UCIs)	121,523,478	458,866,743	278%
Total guaranteed funds	14,881,382,906	13,524,342,653	-9%

Commitment exposure

The guarantee commitments granted to funds decreased slightly over the period, and were down -9% compared to end-December 2018. This decrease is explained primarily by the arrival of several funds at the end of their term or making early redemptions. The drop in outstandings due to these terminations was not fully offset by the creation of new funds. The market effect contributed positively to outstandings.

Formula-based funds: commitments on formula-based funds were down a significant -16%, with a -31% drop in formula-based funds not eligible for the French equity savings plan (PEA). PEA-eligible formula-based funds increased by +7% over 2019.

Funds in insurance portfolios and other funds: commitments on insurance portfolio funds negatively impacted the fund guarantee commitments activity over 2019, having dropped a slight -5%.

Impact on the guarantor's activity in 2019

Calls on the guarantor totalled €677 thousand in 2019. These concerned formula-based fund money market recycling funds and issues due with capital guarantee funds over 6 months. Provisions were booked for the formula-based fund recycling funds and issues (for €1,399 thousand), over three CPPIs benefiting from a guarantee MAX NAV Amundi Objectif Retraite 2020, 2025 and 2030 (€7,068 thousand overall). The source of these provisions is the low level of interest rates that does not allow the fund's assets to honour the guarantee. From the point of view of credit risk, the situation is stable and the likelihood of calls on the guarantor are low. No provisions were booked related to formula-based funds.

2. Note issuance via the subsidiaries dnA, Amundi Finance Emissions, LCL Emissions and Amundi Issuance.

In 2019, two subsidiaries dedicated to the EMTN activity, "Amundi Finance Emissions" and "LCL Emissions", continued their issue programmes, with the Crédit Agricole network for the former, and two LCL networks for the latter, for respective notional amounts of €717 million and €1,645 million. Outstanding amounts at end-2019 totalled €3,615 million for Amundi Finance Emissions, €4,123 million for LCL Emissions, €23 million for Amundi Issuance and €12 million for Amundi Finance.

For the issues of Amundi Finance Emissions and LCL Emissions, Amundi Finance gave respective counter-guarantees to Crédit Agricole S.A. and LCL.

The commitments of Amundi Finance for the issue vehicles Amundi Finance Emissions and LCL Emissions totalled €10,642,255 thousand at 31 December 2019.

3. Swaps and collateralisation

The centralisation of derivatives by Amundi Finance represented a notional value of €64,601 million at 31 December 2019 (including external counterparties and funds) vs. €61,183 million at 31 December 2018.

INCOME STATEMENT AT 31 DECEMBER 2019

Net Banking Income totalled €184,358 thousand versus €150,651 thousand at 31 December 2018.

The contribution of the main activities to Net Banking Income breaks down as follows:

	31/12/2019	31/12/2018
<i>(in thousands of euros)</i>		
MANAGEMENT NBI	75,479	86,961
Fees and commissions (income)	100,216	110,089
<i>of which fixed fees on off-balance sheet commitments</i>	31,779	29,775
<i>of which variable fees on off-balance sheet commitments</i>	41,475	58,120
<i>of which provisions for guarantee calls</i>	778	3,936
<i>of which fees on notes</i>	26,184	18,259
Fees and commissions (expenses)	- 24,738	- 23,128
<i>of which fees on off-balance sheet commitments</i>	- 168	- 154
<i>of which market makers' compensation</i>	- 856	- 753
<i>of which management fees</i>	- 8	- 8
<i>of which charges on guarantee calls</i>	- 677	- 4,095
<i>of which fees on notes</i>	- 21,235	- 15,617
<i>of which provisions for guarantee calls</i>	- 1,794	- 2,501
FINANCIAL NBI	109,601	64,289
Interest and similar income	12,831	7,709
Interest and similar expenses	- 17,572	- 13,426
Gains or losses on trading portfolios	77,882	31,719
Gains or losses on the available-for-sale and similar portfolios	509	- 182
Income from variable-income securities	35,951	38,469
OTHER NBI	- 722	- 599
Other income from banking operations		
Other expenses from banking operations	- 722	- 599
NET BANKING INCOME	184,358	150,651

Management NBI amounted to €75,479 thousand in 2019 versus €86,961 thousand in 2018. This drop in income stemmed mainly from the higher number of non-PEA and PEA funds arriving at the end of their terms in 2018. It breaks down as follows:

- Fixed guarantee income for €31,779 thousand at 31 December 2019 vs. €29,775 thousand at 31 December 2018;

- Variable guarantee income for €41,475 thousand in 2019 vs. €58,120 thousand in 2018 is down due to the higher number of non-PEA and PEA funds arriving at the end of their terms in 2018;
- Income from placement fees for €26,184 thousand in 2019 vs. €18,259 thousand in 2018.
- Reversals of provisions for guarantee calls on recycling funds for €778 thousand in 2019 vs. €3,936 thousand in 2018.
- Fee expenses totalled - €24,738 thousand in 2019 vs. -€23,128 thousand in 2018; it primarily consists of:
 - Retrocessions of placement fees on the Notes issuance activity for - €20,390 thousand vs. -€15,590 thousand in 2018,
 - Market makers' compensation on the CA Oblig Immo product for -€856 thousand in 2019 vs. -€753 thousand in 2018,
 - Charges on guarantee commissions for -€168 thousand vs. -€154 thousand in 2018,
 - Management fees for -€8 thousand related to the issue of EMTNs by Amundi Finance and managed by Amundi AM.
 - Charges on guarantee calls for -€2,471 thousand of which -€1,794 thousand in provisions and -€677 thousand in guarantee calls on recycling funds.

The **Financial NBI** totalled €109,601 thousand in 2019 vs. €64,289 thousand in 2018 and breaks down as follows:

- Income from securities in the amount of €35,951 thousand compared with €38,469 thousand at 31 December 2018, of which:
 - The dividends received from its subsidiary Amundi Intermédiation for €29,463 thousand vs. €31,987 thousand received in 2018,
 - The dividends received from its subsidiary Amundi Tenue de Comptes for €6,816 thousand vs. €6,936 thousand in 2018.

- Net interest expense of -€4,741 thousand (vs. -€5,717 thousand at 31 December 2018), of which:
 - Interest expense of -€4,814 thousand for the perpetual subordinated loan,
 - Net income from collateral deposits and cash operations for +€1,282 thousand in 2019 vs. a charge of -€212 thousand in 2018.
 - A net charge on the financing of the Securities Collat activity of -€958 thousand in 2019 vs. -€501 thousand in 2018.

- Net income on swap issuance, notes, collateral and the trading portfolio activities of + €77,882 thousand (versus + €31,719 thousand at 31 December 2018), of which:
 - +€61,475 thousand (vs. €37,920 thousand at 31 December 2018) corresponding to risks on underwriting derivatives activities and for the marketing and launch of new EMTN funds,
 - +€11,528 thousand related to the value adjustment for the counterparty risk on derivative assets (CVA),
 - +€4,859 thousand in income from derivatives and securities carry for all structures (vs. +€1,843 thousand at 31 December 2018) of which mainly:
 - +€17 thousand on formula-based funds,
 - +€1,390 thousand on UCO structures,
 - +€2,706 thousand on BTP asset swap structures,
 - +€22 thousand on dnA,
 - +€2,094 thousand on CA OBLIG IMMO,
 - +€290 thousand on CA INDICIA and ARMANTIS,
 - -€1,635 thousand on the LCL Emissions structures due mainly to the undersubscribed launch of certain funds (losses offset by the risk underwriting commissions received on these funds),
 - -€72 thousand on BAWAG,
 - +€15 thousand on Crelan,
 - +€31 thousand on the company's EMTN issues.

- Gains on the available for sale portfolio activity for +€509 thousand vs. a loss of -€182 thousand at 31 December 2018, of which:
 - +€184 thousand in reversals of provisions on structured EMTNs,
 - -€318 thousand in provision reversals on participating securities.

Other NBI totalled -€722 thousand and mainly includes the expense for Amundi Finance's contribution to the cost of Crédit Agricole SA bonds as a reference shareholder, vs. -€599 thousand euros in 2018.

General operating expenses break down as follows:

(in thousands of euros)	31/12/2019	31/12/2018
Personnel expenses		
Wages and salaries	-697	-800
Social security contributions	-290	-342
Profit-sharing and incentives	-75	-86
Taxes on remuneration	-123	-132
Total personnel expenses	-1,186	-1,360
Rebilling and transfers of personnel expenses		
Net personnel expenses	-1,186	-1,360
Administrative costs		
Taxes other than on income or payroll-related (1)	-4,136	-3,118
External services and other administrative costs	-4,628	-5,444
Total administrative expenses	-8,764	-8,562
Rebilling and transfers of administrative expenses		
Net administrative costs	-8,764	-8,562
GENERAL OPERATING EXPENSES	-9,951	-9,922

(1) of which €1,354 thousand for the resolution fund.

- **Personnel expenses** decreased €1,186 thousand in 2019 vs. €1,360 thousand in 2018, with primarily:
 - Wages and charges for permanent staff for €989 thousand vs. €1,165 thousand at 31 December 2018,
 - Taxes on remuneration for €123 thousand of which €95 thousand in payroll tax,
 - A provision reversal for end-of-service benefits for €1 thousand.

- Administrative costs increased to €8,764 thousand at 31 December 2019 vs. €8,562 thousand at 31 December 2018. They mainly included:
 - External services for €4,628 thousand vs. €5,444 thousand at 31 December 2018, of which:
 - The rebilling by the group of staff resources made available to Amundi Finance for €2,130 thousand, as well as external services for €1,129 thousand,
 - IT and database costs for €972 thousand, linked primarily to the Murex activity,
 - Agoram rent and expenses, for €143 thousand,
 - The statutory auditor's fees for €172 thousand.
 - Taxes and duties, for €4,136 thousand, with, in particular:
 - CET (territorial economic contribution)/CVAE (company value-added contribution) for €2,253 thousand versus €1,659 thousand in 2018.
 - The contribution to the Single Resolution Fund (SRF) for €1,354 thousand vs. €772 thousand in 2018,
 - The contribution to the Single Resolution Board for €11 thousand
 - The ACPR tax, for €90 thousand, versus €99 thousand in 2018,
 - The ECB contribution, for €74 thousand, versus €71 thousand in 2018,
 - The contribution to the territorial authorities support fund for €88 thousand vs. €96 thousand in 2018,
 - The social solidarity contribution for €265 thousand in 2019 vs. €208 thousand in 2018.

Gross Operating Income was a positive €174,407 thousand in 2019, versus €140,730 thousand for financial year 2018.

The cost of risk was income of €12,201 thousand in 2019, versus a charge of -€17,988 thousand in 2018; it primarily includes:

- +€16,729 thousand in provision reversals on the risk of deficit calls on EMTN issues by Amundi Finance Emissions,
- -€4,527 thousand change in provisions on interest rate guarantees, formula-based funds and insurance portfolios (the guaranteed funds AMUNDI Objectif Retraite 2020, 2025 and 2030, Fonds Acticcia vie 90 N°8 and Acticcia vie N°7).

The **Operating Income and Earnings before taxes and extraordinary items** amounted to €186,609 thousand in 2019 versus €122,742 thousand for financial year 2018.

Corporate income tax amounted to €47,129 thousand.

The tax rate is 25.26%.

Net Income at 31 December 2019 amounted to €139,480 thousand, versus €86,488 thousand at 31 December 2018.

BALANCE SHEET AT 31 DECEMBER 2019

As at 31 December 2019 the total balance sheet stood at €3,816,499 thousand versus €3,329,147 thousand as at 31 December 2018. The main changes were the following:

Assets (excluding derivatives):

- The Treasury bills and similar securities item at €408,178 thousand concerns transactions on securities governed by EMIR, vs. €292,649 thousand at 31 December 2018,
- The item Loans and receivables due from credit institutions increased to €609,454 thousand, versus €1,915 thousand at 31 December 2018, and mainly consists of:
 - €11,986 thousand in bank balances,
 - €1,000 thousand in term loans,
 - €596,274 thousand corresponding to the overnight loan related to the collateral activity; it should be noted that the position at 31 December 2018 was an overnight loan for €544,792 thousand.
- Stakes in subsidiaries and affiliates were stable at €49,701 thousand in 2019 vs. €49,382 thousand in 2018:

SUBSIDIARIES & OTHER EQUITY INTERESTS	Currency	% Control at 31/12/2018	2018 provision	Net carrying amount at 31/12/2018	Increase	Decrease	Gross carrying amount at 31/12/2019	2019 provision	Net carrying amount at 31/12/2019
AMUNDI TC	EUR	99.99		34,166,579			34,166,579		34,166,579
AMUNDI INTERMEDIATION	EUR	38.53		5,628,480			5,628,480		5,628,480
SITS	EUR	NS	9,576	584			10,160		10,160
SCI LES PALMIERS BLEUS	EUR	100	1,452,784	375,169			1,827,953	1,324,088	503,865
SCI MASCARIN	EUR	100	1,922,805	676,079			2,598,884	1,733,291	865,593
DNA SA	EUR	100	163,000	2,068,000			2,231,000	163,000	2,068,000
LRP	EUR	100		31,000			31,000		31,000
Amundi Finance Emissions	EUR	99.99		2,225,106			2,225,106		2,225,106
LCL Emissions	EUR	99.99		2,225,063			2,225,063		2,225,063
AMUNDI ISSUANCE	EUR	99.99	14,000	1,985,914			1,999,914	22,000	1,977,914
TOTAL			3,562,165	49,381,974	0	0	52,944,139	3,242,379	49,701,760

- Bonds and other fixed-income securities totalled €1,129,805 thousand vs. €534,190 thousand at 31 December 2018. This position corresponds mainly to the carry of bonds issued by its subsidiaries Amundi Finance Emissions, LCL Emissions and Amundi Issuance as well as by Crédit Agricole SA and Amundi, during the marketing phase or before the redemption for cancellation by these issuing companies. As well as a carry position on Italian BTPs during the marketing phase of certain formula-based funds.
- Equities and other variable-income securities for €0 thousand vs. €306 thousand at 31 December 2018.
- The Other assets (excluding derivatives) item totalled €371,052 thousand vs. €1,108,149 thousand at 31 December 2018. It mainly consisted of:
 - Collateral deposits for €293,154 thousand vs. €1,057,322 thousand at 31 December 2018,
 - Advance payments of corporate income tax for €34,806 thousand vs. €37,862 at 31 December 2018,
 - Client receivables for €95 thousand vs. €56 thousand at 31 December 2018.
- Accruals (excluding derivatives) totalled €48,119 thousand vs. €56,467 thousand at 31 December 2018. They mainly consisted of receivable income on off-balance sheet commitments (guaranteed funds and EMTNs) depending on the pace of receipt of income: variable guarantee commissions on PEA funds are collected annually, fixed guarantee commissions mostly at the end of the life of the fund, like the variable guarantee commissions on non-PEA funds.
Placement fees, redemptions fees and guarantee commissions on EMTN issues are collected on a quarterly basis.

Liabilities (excluding derivatives):

- Amounts owed to credit institutions for €1,044,107 thousand, of which:
 - €658,100 thousand in overnight borrowings from the group's treasury office versus an overnight loan of €71,600 thousand at end-2018.
 - €386,000 thousand in term loans corresponding to the financing of activities governed by EMIR applicable since 2017.
- Debt securities of €12,015 thousand corresponding to Amundi Finance's EMTN issue programme.

- Other liabilities (excluding derivatives), at €863,450 thousand in 2019 (€504,179 thousand in 2018) primarily include collateral deposits of €809,098 thousand and the corporate tax provision for €45,972 thousand.
- The item Accruals (excluding derivatives) at €15,739 thousand versus €12,744 thousand in 2018, breaks down as follows:
 - €5,974 in deferred income representing the spreading out of compensation for the underwriting risk on formula-based funds, Amundi Finance Emissions EMTNs, LCL Emissions and UCO EMTNs.
 - €9,737 thousand in accrued charges, of which:
 - €5,003 thousand for retrocessions of placement commissions,
 - €3,763 thousand in operating charges, of which €2,130 thousand in rebilling by the group of staff resources made available during 2019,
 - €856 thousand in market makers' compensation on structured products such as CA Oblig Immo.

Derivatives activity: The liabilities corresponding to the activity totalled €64,177 thousand at 31 December 2019 vs. €46,831 thousand at 31 December 2018 and consist primarily of:

- €7,201 thousand related to the value adjustment for the counterparty risk on derivative assets (CVA) vs. €18,729 thousand in 2018,
 - €61,537 thousand in options positions vs. €11,497 thousand in 2018,
 - -€27,095 thousand relating to the valuation of derivatives (swaps and options),
 - €22,641 thousand relating to hedging positions vs. €16,869 thousand in 2018.
- Provisions for liabilities and charges for €16,368 thousand vs. €27,555 thousand in 2018 of which:
 - €6,294 thousand in on the guaranteed "Testaments obsèques" fund,
 - €1,399 thousand in provisions concerning the recycling funds vs. €383 thousand in 2018,
 - €8,144 thousand in provisions for liabilities on the fund guarantee activity and issue vehicles vs. €20,221 thousand in 2018,

- The Subordinated debt item is stable at €100,013 thousand; it corresponds to the perpetual subordinated loan intended to increase the company's equity, as well as accrued payables.

Unpaid invoices received or issued on the closing date of the financial year, the term of which has expired (Table provided in Article D.441-14)

(in thousands of euros)	Article D.441 I.-1: Invoices <u>received</u> and unpaid at the financial year end that are due						Article D.441 I.-2: Invoices <u>issued</u> and unpaid at the financial year end that are due					
	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Late payment tranches												
Number of invoices concerned						1						18
Total amount of invoices concerned excluding or including taxes	2					2	29		66			95
Percentage of the total amount of purchases during the financial year	0.01%					0.01%						
Percentage of sales of the financial year							0.02%		0.03%			0.05%
(B) Invoices excluded from A relating to disputed or unrecognised debts and receivables												
No. of invoices excluded						0						0
Amount of the invoices excluded												
(C) Reference payment dates used												
Reference payment dates used to calculate payments past due	> 30 days						> 30 days					

This information does not include banking transactions and related transactions that do not fall under the scope of required information.

The change in equity is as follows:

(in thousands of euros)	Capital	Premiums, reserves and retained earnings	Interim dividends	Regulated provisions & investment subsidies	Net income	Total equity
Balance at 31 December 2018	40,320	543,724			86,488	670,532
Dividends paid for 2018		-82,148				-82,148
Change in share capital						
Change in premiums and reserves						
Appropriation of income		86,488			-86,488	
Retained earnings						
Profit or loss for financial year 2019					139,480	139,480
Other changes						
Balance at 31 December 2019	40,320	548,063			139,480	727,864

OFF-BALANCE SHEET ITEMS AT 31 DECEMBER 2019

At 31 December 2019, derivative financial instruments (DFIs) were recorded for a notional amount of €64,601 million versus €61,183 million at 31 December 2018.

Summary table of Derivative Financial Instruments

Notional in millions of euro	31/12/2019	31/12/2018
DFIs Collateral	35,799	40,813
DFIs Notes	0	157
DFIs Notes with margin	18	41
DFIs Asset Swap Forwards	1,186	1,104
DFIs EMTN CASA network	10,244	8,198
DFIs EMTN Crelan network	181	202
DFIs EMTN LCL network	16,403	10,171
DFIs EMTN Other networks	373	210
DFIs EMTN AMUNDI FINANCE network	12	12
DFIs Hedging Securities Collateral	386	276
TOTAL	64,601	61,183

The Guarantee commitments given totalled, €24,167 million vs. €22,053 million at 31 December 2018. This increase was due mainly to:

- The change in commitments given relating to guaranteed funds and EMTNs,

The item Assets given as collateral totalled €350 million at 31 December 2019 vs. €242 million at 31 December 2018, and corresponds to the Securities Collat given to the market counterparty under EMIR.

The item Assets received as collateral totalled €1,252 million at 31 December 2019 vs. €880 thousand at 31 December 2018, and corresponds to Securities Collat received from funds and market counterparties under EMIR.

DIVIDEND DISTRIBUTION

Distributable income totalled €466,616,441.31, including the profit for financial year 2019 of €139,480,456.88 euros and retained earnings of €326,135,984.43 euros.

For 2019, the proposed dividend payout is €139,461,833.17, i.e. a dividend per share of €52.73.

Retained earnings after distribution would thus be €326,154,608.14.

In accordance with law, we remind you that over the past three financial years the company attributed a dividend to each share of:

FY	Dividend in €	Dividend payout eligible for the 40% tax credit (*) in €	Dividend payout not-eligible for the 40% tax credit (*) in €
2018	31.06	31.06	-
2017	-	-	-
2016	83.18	83.18	-

(*) Article 158-3-2 of the French tax code

GROWTH OUTLOOK FOR

The COVID-19 epidemic is set to have significant negative impacts on the global economy, which would be exacerbated if the outbreak is not rapidly contained, leading to a pronounced slowdown in activity due to the impact of the lockdown measures on consumption and the wariness of economic agents, as well as production difficulties, supply chain disruptions in certain sectors, and a slowdown in investment. This would result in a significant decline in growth, and even technical recessions in several countries, which is reflected in the sharp fall in the financial markets and higher volatility. The main immediate impact on Amundi Finance is the exposure of its assets and liabilities of its balance sheet to the drop of the financial markets. At the date of completion of this Document, the negative impact on the revenues, earnings and financial position of Amundi Finance is impossible to measure at this stage.

However, in 2020, in France, the trends observed in 2019 are expected to continue, resulting in a stabilisation of guaranteed outstandings.

With respect to international activity, several projects are set to lead to an increase in the activity of Amundi Finance:

- The development of formula-based and insurance portfolio funds in Asia (Thailand, Singapore and Malaysia)
- The distribution of formula-based funds and EMTNs in Italy,
- Foreign currency EMTN issues in Czech Republic and Poland.

MONITORING OF MARKET RISKS

The organisation, procedures and tools for monitoring market risks are detailed in the annual internal control report. Amundi Finance's risks related to the guarantees granted and its portfolio and cash management.

CHANGES IN ACCOUNTING METHODS

No significant changes in accounting methods were made.

SHAREHOLDING STRUCTURE

The shareholding structure at 31 December 2019 is as follows:

- Amundi Asset Management, 76.13% of shares,
- Amundi, 23.87%,
- the other shareholders hold 0.01% of shares.

TABLE OF RESULTS OF THE PAST FIVE FINANCIAL YEARS

Type of data	31/12/2015	31/12/2016	31/12/2017	31/12/2018	31/12/2019
Capital at year-end (in euros)	40,320,157	40,320,157	40,320,157	40,320,157	40,320,157
Number of shares issued	2,644,829	2,644,829	2,644,829	2,644,829	2,644,829
Operations and results for the period (in € thousands)					
Net Banking Income	233,405	192,495	127,010	150,651	184,358
Earnings before taxes, depreciation, amortisation, and provisions	217,822	185,752	117,606	140,729	174,407
Income tax	-63,432	-49,327	-37,097	-36,254	-47,129
Earnings after taxes, depreciation, amortisation, and provisions	154,389	136,425	81,536	86,488	139,480
Amount of dividends paid	199,949	219,997	0	82,148	139,462
Operating earnings per share (in euros)					
Earnings after taxes but before amortisation, depreciation, and provisions	58.37	51.58	30.83	32.70	52.74
Earnings after taxes, depreciation, amortisation, and provisions	58.37	51.58	30.83	32.70	52.74
Dividend per share	75.60	83.18	0.00	31.06	52.73
Employees					
Average number of employees	8	10	10	9	9
Total payroll for the period (in € thousands)	654	675	749	821	699
Total payments with respect to employment benefits (charges and social services) (in € thousands)	281	310	353	342	290

CORPORATE GOVERNANCE REPORT (Article L.225-37 of the French Commercial Code)

List of mandates and positions held during the financial year 2019 by the company officers

Nicolas CALCOEN

Company	Position	Represented
AMUNDI FINANCE	Chairman of the Board of Directors	
BFT INVESTMENT MANAGERS	Chairman of the Board of Directors	
EFAMA (European Fund And Asset Management Association)	Chairman of the Board of Directors	
AMUNDI JAPAN LTD (EX SGAM JAPAN CO LTD)	Chairman of the Board of Directors	
EFAMA (European Fund And Asset Management Association) *	Vice-President	
AMUNDI VENTURES	Chief Executive Officer	
AMUNDI INTERMEDIATION	Director	
KBI Global Investors Ltd	Director	
CPR ASSET MANAGEMENT	Director	AMUNDI
AMUNDI SGR S.P.A	Director	

(*) Mandate expired during the financial year

Olivier GUILBAULT

Company	Position	Represented
AMUNDI INTERINVEST	Chief Executive Officer	
AMUNDI FINANCE	Chief Executive Officer, Person "Effectively Running" the company and Director	
AMUNDI OBLIG MONDE	Director	AMUNDI FINANCE
LRP*	Director	

(*) Mandate expired during the financial year

Marie-Clotilde CALAIS

Company	Position	Represented
AMUNDI FINANCE	Deputy Chief Executive Officer, Person "Effectively Running" the company and Director	

(*)Mandate expired during the financial year

Claire CORNIL

Company	Position	Represented
AMUNDI ISSUANCE	Director	
AMUNDI FINANCE	Director	AMUNDI ASSET MANAGEMENT
dnA	Director	

(*Mandate expired during the financial year

Fathi JERFEL

Company	Position	Represented
AMUNDI SGR S.P.A	Chairman of the Board of Directors	
SOCIETE GENERALE GESTION - S2G	Chairman of the Board of Directors	
AMUNDI JAPAN LTD (EX SGAM JAPAN CO LTD) *	Chairman of the Board of Directors	
ABC-CA FUND MANAGEMENT CO *	Vice Chairman	
AMUNDI ASSET MANAGEMENT	Deputy Chief Executive Officer and Person "Effectively Running" the company	
SBI FUNDS MANAGEMENT PRIVATE LTD	Director	
NEXTSTAGE AM	Director	
WAFI GESTION (MAROC)	Director	AMUNDI ASSET MANAGEMENT
AMUNDI FINANCE *	Director	
RADIAN *	Director	AMUNDI
AMUNDI IMMOBILIER	Director	

(*Mandate expired during the financial year

Regulated agreements

During the financial year ended 31st December 2019, no agreement was concluded within the scope of Article L. 225-38 of the French Commercial Code.

Delegations granted by the general shareholders' meeting on capital increase

Nil.

Terms of exercise of the general management

The Board of Directors' decision is to separate the functions of Chairman of the Board of Directors and of Chief Executive Officer. Therefore, General Management of the Company is carried out by the Chief Executive Officer, until a contrary decision is made.

Composition of the board of directors at year-end

Chairman of the Board of Directors

Mr Nicolas CALCOEN

Chief Executive Officer and Director

Mr Olivier GUILBAULT

Deputy Chief Executive Officer and Director

Mrs Marie-Clotilde CALAIS

Director

AMUNDI ASSET MANAGEMENT,
represented by Mrs Claire CORNIL

Representatives of the Works Committee

Mrs Christine FAGE

Mrs Florence HUCHEZ

Statutory Auditors

ERNST & YOUNG ET AUTRES,
represented by Mrs Claire ROCHAS

PRICEWATERHOUSECOOPERS AUDIT,
represented by Mr Laurent TAVERNIER

Work of the Board of Directors

During the financial year:

Your Board of Directors met twice during the course of the financial period, and discussed the following matters

Board of Directors meeting of 19th March 2019

- Reports of the Board of Directors, examination and approval of the financial statements at 31st December 2018
- Report of the Internal Control for the 2018 reporting period
- Renewal of bond issue programme
- Convening of the Ordinary General Meeting

Board of Directors meeting of 25th July 2019

- Appointment of two Directors
- Resignation of Director
- Convening of the Ordinary General Meeting
- Reports of the Board of Directors, examination and approval of the financial statements at 30th June 2019
- Report on Internal Control relating for fighting against money laundering, terrorist financing and the asset freezing for the 2018 reporting period.

Since the end of the period:

Board of Directors meeting of 19th March 2020

- Renewal of the term of the Chairman of the Board of Directors, subject to the next Ordinary General Meeting approving the renewal of his term as Director.
- Confirmation of the Chief Executive Officer of the company, subject to the next Ordinary General Meeting approving the renewal of the Chairman's term as a Director.
- Confirmation of the Deputy Chief Executive Officer of the company, subject to the next Ordinary General Meeting approving the renewal of the Chairman's term as a Director.
- Reports of the Board of Directors, examination and approval of the financial statements at 31st December 2019
- Report of Internal Control of the Company for the 2019 reporting period
- Renewal of bond issue programme
- Convening of the Ordinary General Meeting

Directors' compensation

This arrangement does not apply to Amundi Finance.

02

Statutory auditor's report on the financial year ended 31 December 2019:

- Report on the financial statements
- Report on related agreements

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Amundi Finance

Year ended December 31, 2019

Statutory auditors' report on the financial statements

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine cedex
S.A.S. au capital de € 2 510 460
672 006 583 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Amundi Finance

Year ended December 31, 2019

Statutory auditors' report on the financial statements

To the Annual General Meeting of Amundi Finance,

Opinion

In compliance with the engagement entrusted to us by Annual General Meetings, we have audited the accompanying financial statements of Amundi Finance for the year ended December 31, 2019. These financial statements were approved by the Board of Directors, on March 19, 2019, on the basis of the elements available at that date, in the evolving context of the health crisis related to Covid-19.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Board of Directors acting as Audit Committee.

Basis for Opinion

■ Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

■ Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of Ethics (*Code de déontologie*) for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

We determined that there was no key audit matter to communicate in our report.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

■ Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report, as approved on March 19, 2020, and in the other documents with respect to the financial position and the financial statements provided to the shareholders except the point below. Regarding the events that occurred and the elements known after the date of approval of the financial statements relating to the effects of the Covid-19 crisis, Management has informed us that such events and elements will be communicated to the Annual General Meeting called to decide on these financial statements.

We draw attention to the following matter regarding the fair presentation and consistency with the financial statements of the information relating to the payment periods referred to in Article D. 441-4 of the French Commercial Code (*Code de commerce*): as indicated in the management report, this information does not include banking and related transactions as your Company considers that they do not fall within the scope of the information to be produced.

■ Report on Corporate Governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Article L. 225-37-4 of the French Commercial Code (*Code de commerce*).

Report on Other Legal and Regulatory Requirements

■ Appointment of the Statutory Auditors

We were appointed as statutory auditors of Amundi Finance by the Annual General Meeting held on March 26, 2003 for PricewaterhouseCoopers Audit and on April 26, 2005 for ERNST & YOUNG et Autres.

As at December 31, 2019, PricewaterhouseCoopers Audit and ERNST & YOUNG et Autres were in the seventeenth year and fifteenth year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Board of Directors acting as Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

■ Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- ▶ Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- ▶ Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements.

- ▶ Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- ▶ Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

■ **Report to the Board of Directors acting as Audit Committee**

We submit to the Board of Directors acting as Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Board of Directors acting as Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Board of Directors acting as Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Board of Directors acting as Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, March 31, 2020

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit

ERNST & YOUNG et Autres

Laurent Tavernier

Claire Rochas

**AMUNDI FINANCE
INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

**Approved by the Board of Directors of *AMUNDI FINANCE*
on 19 March 2020 and submitted for approval to the
Annual General Meeting of Shareholders of 15 May 2020**

CONTENTS

BALANCE SHEET AT 31 DECEMBER 2019.....	3
OFF-BALANCE SHEET ITEMS.....	4
INCOME STATEMENT AT 31 DECEMBER 2019.....	5
CASH FLOW STATEMENT AT 31 DECEMBER 2019	6
NOTE 1 LEGAL AND FINANCIAL CONTEXT AND SIGNIFICANT EVENTS	7
NOTE 2 ACCOUNTING PRINCIPLES AND MEASURES	7
NOTE 3 LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS – BREAKDOWN BY RESIDUAL MATURITY	17
NOTE 4 TRANSACTIONS WITH CUSTOMERS	17
NOTE 5 TRADING, AVAILABLE FOR SALE, INVESTMENT AND PORTFOLIO SECURITIES	18
NOTE 5.1 TRADING, AVAILABLE FOR SALE, INVESTMENT AND PORTFOLIO SECURITIES (excluding Treasury bills): BREAKDOWN BY MAIN COUNTERPARTY CATEGORY	18
NOTE 5.2 BREAKDOWN OF LISTED AND UNLISTED FIXED AND VARIABLE-INCOME SECURITIES.....	19
NOTE 5.3 TREASURY BILLS, BONDS AND OTHER FIXED-INCOME SECURITIES: ANALYSIS BY REMAINING MATURITY.....	19
NOTE 5.4 TREASURY BILLS, BONDS AND OTHER FIXED-INCOME SECURITIES: ANALYSIS BY GEOGRAPHIC REGION	20
NOTE 6 EQUITY INVESTMENTS AND SUBSIDIARIES	20
NOTE 6.1 ESTIMATED VALUE OF EQUITY INVESTMENTS.....	21
NOTE 7 CHANGE IN FIXED ASSETS	22
NOTE 7.1 Financial Assets.....	22
NOTE 7.2 Property, plant and equipment and intangible assets.....	22
NOTE 8 TREASURY SHARES.....	23
NOTE 9 ACCRUALS AND SUNDRY ASSETS	23
NOTE 10 IMPAIRMENT OF ASSETS	24
NOTE 11 AMOUNTS OWED TO CREDIT INSTITUTIONS – BREAKDOWN BY RESIDUAL MATURITY.....	24
NOTE 12 CUSTOMER CREDIT BALANCES	24
NOTE 13 DEBT SECURITIES.....	24
Note 13.1 DEBT SECURITIES – BREAKDOWN BY RESIDUAL MATURITY	24
NOTE 14 ACCRUALS AND SUNDRY LIABILITIES.....	25
NOTE 15 PROVISIONS.....	25
NOTE 16 HOME PURCHASE SAVINGS	26
NOTE 17 Employee-related liabilities - Post-employment benefits, defined benefits schemes	26
NOTE 18 FUND FOR GENERAL BANKING RISKS.....	26
NOTE 19 SUBORDINATED DEBT: BREAKDOWN BY RESIDUAL MATURITY	27
NOTE 20 CHANGE IN EQUITY	27
NOTE 21 COMPOSITION OF EQUITY	27
NOTE 22 TRANSACTIONS WITH SUBSIDIARIES AND AFFILIATES AND EQUITY INTERESTS	28
NOTE 23 TRANSACTIONS IN FOREIGN CURRENCIES.....	28
NOTE 24 FOREIGN EXCHANGE TRANSACTIONS, LOANS AND BORROWINGS	28
NOTE 25 DERIVATIVES TRANSACTIONS	29
NOTE 25.1 DERIVATIVES TRANSACTIONS: NOTIONAL	30
NOTE 25.2 DERIVATIVE INSTRUMENTS: FAIR VALUE	30
NOTE 25.3 BREAKDOWN OF INTEREST RATE AND CURRENCY SWAPS	31
NOTE 26 FINANCING AND GUARANTEE COMMITMENTS AND OTHER GUARANTEES	31
NOTE 26.1 ASSETS GIVEN AND RECEIVED AS COLLATERAL	32
NOTE 27 INFORMATION ON COUNTERPARTY RISK ON DERIVATIVE PRODUCTS.....	32
NOTE 28 NET INTEREST AND SIMILAR INCOME	33
NOTE 29 INCOME FROM SECURITIES.....	33
NOTE 30 NET FEE AND COMMISSION INCOME	34
NOTE 31 GAINS OR LOSSES ON TRADING PORTFOLIO TRANSACTIONS	34
NOTE 32 GAINS OR LOSSES ON AVAILABLE FOR SALE, PORTFOLIO AND SIMILAR TRANSACTIONS	34
NOTE 33 OTHER INCOME AND EXPENSES FROM BANKING OPERATIONS	35
NOTE 34 GENERAL OPERATING EXPENSES	35
NOTE 34.1 HEADCOUNT.....	36
NOTE 35 COST OF RISK	36
NOTE 36 NET INCOME ON FIXED ASSETS	36
NOTE 37 CORPORATE INCOME TAX.....	37
NOTE 38 PRESENCE IN NON-COOPERATIVE STATES OR TERRITORIES	37
NOTE 39 APPROPRIATION OF INCOME.....	37
NOTE 40 PUBLICATION OF THE STATUTORY AUDITOR’S FEES.....	37

Amundi Finance

Notes to the annual financial statements– 31 December 2019

AMUNDI FINANCE
INDIVIDUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

BALANCE SHEET AT 31 DECEMBER 2019

ASSETS

(in thousands of euros)	Notes	31/12/2019	31/12/2018
Interbank and similar transactions		1,017,632	294,564
Cash, central banks			
Treasury bills and similar securities	5	408,178	292,649
Loans and receivables due from credit institutions	3	609,454	1,915
Transactions with customers	4		
Securities transactions		1,129,805	534,496
Bonds and other fixed-income securities	5	1,129,805	534,190
Equities and other variable-income securities	5		306
Fixed assets		277,125	276,806
Participating interests and other long-term equity interests	6-7		
Stakes in subsidiaries and affiliates	6-7	49,702	49,382
Intangible assets	7	227,424	227,424
Property, plant and equipment	7		
Unpaid called up capital			
Treasury shares	8		
Accruals and sundry assets		1,391,937	2,223,281
Other assets	9	1,343,711	1,986,219
Accruals	9	48,226	237,063
TOTAL ASSETS		3,816,499	3,329,147

EQUITY & LIABILITIES

(in thousands of euros)	Notes	31/12/2019	31/12/2018
Interbank and similar transactions		1,044,107	896,585
Central banks			
Amounts owed to credit institutions	11	1,044,107	896,585
Customer credit balances	12		
Debt securities	13	12,015	12,015
Accruals and sundry liabilities		1,916,132	1,622,420
Other liabilities	14	1,606,777	1,575,466
Accruals	14	309,355	46,954
Provisions and subordinated debt		116,382	127,596
Provisions	15-16-17	16,368	27,555
Subordinated debt	19	100,013	100,040
Fund for General Banking Risks (FGBR)	18		
Equity excluding FGBR	20	727,864	670,532
Called up capital		40,320	40,320
Share premiums		217,511	217,511
Reserves		4,416	4,416
Revaluation adjustment			
Regulated provisions and investment subsidies			
Retained earnings		326,136	321,796
Net income awaiting approval/interim dividends			
Net income for the financial year		139,480	86,488
TOTAL EQUITY & LIABILITIES		3,816,499	3,329,147

OFF-BALANCE SHEET ITEMS

(in thousands of euros)	Notes	31/12/2019	31/12/2018
COMMITMENTS GIVEN			
Financing commitments	26		
Guarantee commitments	26	24,166,598	22,053,378
Securities commitments	26		

(in thousands of euros)		31/12/2019	31/12/2018
COMMITMENTS RECEIVED			
Financing commitments	26		
Guarantee commitments	26		
Securities commitments	26		

Notes concerning Off-Balance Sheet items (other information):

- Derivatives transactions: note 25
- Assets given and received as collateral: note 26.1

Amundi Finance

Notes to the annual financial statements – 31 December 2019

INCOME STATEMENT AT 31 DECEMBER 2019

(in thousands of euros)	Notes	31/12/2019	31/12/2018
Interest and similar income	28-29	12,831	7,709
Interest and similar expenses	28	-17,572	-13,426
Income from variable-income securities	29	35,951	38,469
Fees and commissions (income)	30	100,216	110,090
Fees and commissions (expenses)	30	-24,738	-23,128
Gains or losses on the trading portfolios	31	77,882	31,719
Gains or losses on the available-for-sale portfolios	32	509	-182
Other income from banking operations	33		
Other expenses from banking operations	33	-722	-599
Net banking income		184,358	150,651
General operating expenses	34	-9,951	-9,922
Provisions for amortisation, depreciation and impairment of intangible assets and property, plant and equipment			
Gross operating income		174,407	140,729
Cost of risk	35	12,201	-17,988
Operating income		186,609	122,742
Net income on fixed assets	36		
Earnings before taxes and extraordinary items		186,609	122,742
Net extraordinary items			
Corporate income tax	37	-47,129	-36,254
Net allocation to FGBR and regulatory provisions			
Net income		139,480	86,488

CASH FLOW STATEMENT AT 31 DECEMBER 2019

(in thousands of euros)	31/12/2019	31/12/2018
Profit (loss) before taxes	186,609	122,742
Net amortisation and depreciation and provisions on property, plant and equipment and intangible assets		
Impairment of goodwill		
Net provisions for impairment	-11,187	13,157
Share of profit of equity associates		
Net gain/loss on investment activities		
Income/expenses on financing activities	4,814	4,814
Other movements	11,344	3,420
Total non-monetary items included in the profit (loss) before tax and other adjustments	4,970	21,391
Cash flows from transactions with credit institutions	109,900	119,963
Cash flows from transactions with customers		
Cash flows from other transactions impacting financial assets or liabilities	-698,703	-12,907
Cash flows from other transactions impacting non-financial assets or liabilities	1,088,807	-754,129
Dividends received from associates		
Taxes paid	-34,357	-27,172
Net decrease/(increase) in assets and liabilities generated by operating activities	465,647	-674,245
TOTAL NET CASH FLOW FROM/USED IN OPERATING ACTIVITIES (A)	657,226	-530,112
Cash flows from equity interests	-320	-1,083
Cash flows from property, plant and equipment and intangible assets		
TOTAL NET CASH FLOWS FROM/USED IN INVESTING ACTIVITIES (B)	-320	-1,083
Cash flows	-82,148	
Other net cash flows from financing activities	-4,841	-4,814
TOTAL NET CASH FLOWS FROM/USED IN FINANCING ACTIVITIES (C)	-86,989	-4,814
Effect of exchange rate changes and other changes on cash and cash equivalents (D)		
Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	569,918	-536,009
Cash and cash equivalents at beginning of year	-619,758	-83,749
Net balance of the cash and central banks accounts		
Net balance of accounts, demand loans and deposits with credit institutions	-619,758	-83,749
Cash and cash equivalents at end of year	-49,840	-619,758
Net balance of the cash and central banks accounts		
Net balance of accounts, demand loans and deposits with credit institutions	-49,840	-619,758
CHANGE IN NET CASH AND CASH EQUIVALENTS	569,918	-536,009

NOTE 1 LEGAL AND FINANCIAL CONTEXT AND SIGNIFICANT EVENTS

1.1 Legal and financial context

Amundi Finance's share capital totalled €40,320,157 at 31 December 2019. It is divided into 2,644,829 shares, each with a par value of €15.24.

Amundi Finance was authorised by the CECEI (now the ACPR) on 19 February 2002. As a credit institution, Amundi Finance is authorised to provide capital and/or performance guarantees in the area of asset management, notably for the clients of the Crédit Agricole group or the UCITS it manages.

Ownership of the company:

- 76.12% held by Amundi Asset Management,
- 23.87% held by Amundi,
- with the remainder owned by other companies in the group.

These notes are an integral part of the financial statements of Amundi Finance for the year ended 31 December 2019. They are expressed in thousands of euros ("€K").

The balance sheet total before appropriation of income in these financial statements is €3,816,499 thousand.

The net banking income (NBI) recorded in these financial statements is €184,358 thousand.

Net profit for the financial year is €139,480 thousand (€139,480,456.88).

1.2 Significant events in 2019

None.

1.3 Events after the reporting period ending 31 December 2019

The COVID-19 epidemic is set to have significant negative impacts on the global economy, which would be exacerbated if the outbreak is not rapidly contained, leading to a pronounced slowdown in activity due to the impact of the lockdown measures on consumption and the wariness of economic agents, as well as production difficulties, supply chain disruptions in certain sectors, and a slowdown in investment. This would result in a significant decline in growth, and even technical recessions in several countries, which is reflected in the sharp fall in the financial markets and higher volatility. The main immediate impact on Amundi Finance is the exposure of its assets and liabilities of its balance sheet to the drop of the financial markets. At the date of completion of this Document, the negative impact on the revenues, earnings and financial position of Amundi Finance is impossible to measure at this stage.

NOTE 2 ACCOUNTING PRINCIPLES AND MEASURES

The financial statements of Amundi Finance comply with the provisions of ANC (French accounting standards authority) regulation no. 2014-07 of 26 November 2014 which, for financial years starting from 1 January 2015, aggregates all accounting standards applicable to credit institutions under a single set of regulations on the basis of established law.

2.1 Loans and receivables and financial guarantees

Loans and receivables due from credit institutions, Amundi Group entities and customers are governed by Articles 2211-1 to 2251-13 (Title 2 Accounting treatment of credit risk of Book II Special transactions) of ANC regulation 2014-03 of 26 November 2014.

They are broken down according to their residual maturity or type:

- Demand and term deposits with credit institutions;
- Current accounts, term deposits and advances for Amundi Group internal transactions;
- Trade receivables, other loans and current accounts for customers.

In accordance with regulatory provisions, the customers heading also includes transactions carried out with financial customers.

Subordinated loans, as well as repurchase agreements (taking the form of securities or other assets), are incorporated under the various loans and receivables headings, depending on the type of counterparty (interbank, Crédit Agricole, customers).

Loans and receivables are stated on the balance sheet at their nominal value.

In accordance with Article 2131-1 of ANC regulation 2014-03 of 26 November 2014, commissions and fees received and the incremental transaction costs borne are spread out over the actual life of the credit and are therefore incorporated into the outstanding balance of the loan or receivable in question.

Accrued interest on loans and receivables is recorded in the related accrued receivables account on the income statement.

Financial guarantees recognised off-balance sheet represent irrevocable backstop liquidity facilities and guarantee commitments that have not generated any fund movements.

The enforcement of regulation ANC 2014-03 of 26 November 2014 led the entity to recognise loans and receivables presenting a risk of default according to the rules outlined in the following paragraphs.

The use of external and/or internal rating systems helps to assess the level of credit risk.

Loans and receivables and financial guarantees are divided between performing and doubtful assets.

Performing loans and receivables

As long as receivables are not deemed doubtful, they are considered to be performing and remain under their original heading.

Provisions for credit risk for performing assets

Even when outstandings have not become doubtful, and on initial recognition of the financial instrument, Amundi Finance records expected 12-month credit losses (for receivables qualified as performing) and/or over the life of the financial instrument in cases where significant deterioration in credit risk has occurred since initial recognition (under-performing assets) under liabilities on its balance sheet.

Allowances and reversals of provisions for credit risk on performing loans are recognised under cost of risk.

These provisions are determined as part of a special monitoring process and are based on estimates showing the change in the credit risk level between the initial recognition date and the reporting date.

Doubtful and bad debt

These are loans and receivables of all types, even those incorporating guarantees, that present evidence of credit risk corresponding to one of the following situations:

- At least one contractual payment is 12 months past due.

Amundi Finance

- The situation of a counterparty has characteristics such that, independently of the existence of any past due payments, there is evidence of a default risk,
- There is litigation between the institution and its counterparty.

Among doubtful outstandings, Amundi Finance makes a distinction between assets that are “compromised” (close to default and deemed uncollectable) and “non-compromised” (non-performing in arrears).

Non-compromised doubtful loans and receivables:

Non-compromised doubtful loans and receivables are non-performing loans that do not meet the definition of compromised (uncollectable) loans and receivables.

Compromised (uncollectable) doubtful loans

These are non-performing loans and receivables for which the prospect of collection is greatly deteriorated and for which a write-off is considered.

Interest continues to accrue on doubtful loans and receivables as long as they are not considered uncollectable. Interest stops accruing as soon as the receivable becomes uncollectable and is considered a loss asset.

An asset may be removed from the doubtful asset category when the evidence of credit risk is permanently eliminated and regular payments have resumed for the amounts stipulated for the original contractual due dates. In this case, it is reclassified as a performing asset.

Impairment for credit risk on doubtful loans

As soon as a loan becomes doubtful, Amundi Finance accounts for the expected loss through an impairment recorded on the balance sheet. These impairments represent the difference between the carrying amount of the receivable and the discounted future contractual cash flows, while taking into consideration the financial position and economic outlook of the counterparty, as well as any guarantees minus their cost of enforcement.

Probable losses relating to off-balance sheet commitments are taken into account through provisions recorded under liabilities on the balance sheet.

Recognition of impairments

Impairment allowances for the expected credit losses on doubtful loans and receivables are recognised under cost of risk.

In accordance with Article 2231-3 of ANC regulation 2014-07, the Group has opted to record the increase in the carrying amount associated with the reduction in impairment allowances due to passage of time under cost of risk.

Writing off a loss

The assessment of the time period before a write-off is based on the judgement of experts. Amundi Finance determines it with its Risk Management Department, based on this department’s knowledge of its business.

Loans and receivables that have become uncollectable are recognised as losses and the corresponding impairment amounts are reversed.

2.2 Securities portfolio

The rules for the accounting of securities transactions are defined in Articles 2311-1 to 2391-1 (Title 3 Accounting of securities transactions of Book II Special transactions) as well as Articles 2211-1 to 2251-13 (Title 2 Accounting treatment of credit risk of Book II Special transactions) of ANC regulation 2014-07 of 26 November 2014 for the determination of credit risk and impairment of fixed-income securities.

Securities are presented in the financial statements depending on their nature: Treasury bills and similar securities, bonds, and other fixed-income securities (negotiable debt securities and securities of the interbank market), equities, and other variable-income securities.

They are classified in the portfolios provided for by regulations (held for trading, available for sale, investment and portfolio activities, other long-term equity interests, participating interests) according to the purpose for which they were acquired identified in the accounting information system at the time of their acquisition.

Amundi Finance

Trading securities

These are securities that were, at the outset, acquired with the intention of selling them, or sold with the intention of buying them back, in the short term.

Trading securities also include securities that are bought or sold as part of specialised management of a trading portfolio that includes financial derivative instruments, or other securities and financial instruments that are managed together.

Trading securities are recognised on the balance sheet at their acquisition price, excluding acquisition costs.

They are valued at market value at the reporting date.

The balance of unrealised gains and losses recorded, as well as the balance of the gains and losses on the disposal of securities, is recognised on the income statement under “gains or losses on the trading portfolios”.

Available for sale securities

This category is for securities that are not classified as held-for-trading or investment securities, other long-term equity interests, participating interests or stakes in subsidiaries and affiliates.

Bonds and other fixed-income securities

These securities are recorded at purchase price, including the coupon accrued at purchase. The difference between the acquisition price and the redemption price is spread out on an actuarial basis over the residual life of the security. Income is recorded on the income statement under: “Interest and similar income from bonds and other fixed-income securities”.

Equities and other variable-income securities

Equities are recorded on the balance sheet at their purchase price, including acquisition costs. Income from dividend-paying shares are recorded on the income statement under “Income from variable-income securities”.

Income from SICAVs (funds in the form of variable-capital investment companies) and Fonds Communs de Placement (mutual funds) are recorded at the time of receipt under the same heading.

Available for sale investment securities are valued at the lower of their purchase price and their market value at the reporting date. Accordingly, when the asset value of a line is lower than the carrying amount, an impairment charge for the unrealised loss is recognised without any offsetting by any capital gains recorded under other types of securities. Gains generated by hedges, as defined in Article 2514-1 of ANC regulation 2014-7 of 26 November 2014, in the form of the purchase or sales of derivative financial instruments, are taken into account in calculating write-downs, are taken into account for the calculation of the impairment. Potential capital gains are not recorded.

Disposals of securities are deemed to involve the securities of the same type that were subscribed at the earliest date.

Increases and decreases in the allowances for impairment and any capital gains or losses from the disposal of available for sale securities are recognised under the heading “balance of transactions on available for sale portfolios and similar” on the income statement.

Stakes in subsidiaries and affiliates, participating interests and other long-term equity interests

- Stakes in subsidiaries and affiliates are shares owned in companies that are exclusively controlled and which are, or are likely to be, fully consolidated in a single consolidation group.
- Participating interests are shares (other than those owned in subsidiaries and affiliates) for which their long-term ownership is deemed beneficial to the reporting entity, particularly because it allows it to exercise influence or control over the issuer.

Amundi Finance

- Other long-term equity interests consist of investments made for the purpose of promoting long-term business relations by creating a special relationship with the issuer, but without exercising influence on its management due to the small percentage of voting rights held.

These securities are recognised at purchase price, including acquisition costs.

At the reporting date, the value of these securities is measured individually, based on value in use, and they are recorded on the balance sheet at the lower of their historical cost or value in use.

Value in use may be estimated based on various factors such as the issuer's profitability and profitability outlook, its shareholders' equity, the economic environment or even its average share price over the preceding months or the economic value of the security.

When value in use is lower than historical cost, impairments are recognised for these unrealised losses, without netting against any unrealised gains.

Increases and decreases in impairment allowances, as well as any capital gains or losses from the disposal of these securities, are recognised under the heading "Balance of transactions on available for sale portfolios and similar" on the income statement.

Market price

The market price at which the various categories of securities are valued is determined in the following manner:

- securities traded on an active market are valued at their most recent price,
- if the market on which the security is traded is considered inactive or no longer active or if the security is not listed, Amundi Finance determines the probable trading value of the security by using valuation techniques. First, these techniques reference recent transactions carried out under normal competitive conditions. When appropriate, Amundi Finance uses valuation techniques commonly used by market participants to value these securities when it has been demonstrated that these techniques produce reliable estimates of the prices obtained in actual market trades.

Reclassification of securities

In accordance with Articles 2381-1 to 2381-5 (Title 3 Recognition of securities transactions of Book II Special transactions) of ANC regulation 2014-07 of 26 November 2014, the following reclassifications are permitted:

- from the trading portfolio to the investment or available for sale portfolios in the event of an exceptional market situation or, for fixed-income securities, when they can no longer be traded on an active market or if the institution has the intention and ability to hold them for the foreseeable future or until maturity;
- from the available for sale portfolios to the investment portfolio in the event of an exceptional market situation or, for fixed-income securities, when they can no longer be traded on an active market.

In 2019 AMUNDI FINANCE did not carry out any reclassifications under ANC regulation 2014-07 of 26 November 2014.

2.3 Fixed assets

Amundi Finance applies ANC regulation 2014-03 of 5 June 2014 for the depreciation, amortisation and impairment of assets.

As a result, Amundi Finance applies the component method of accounting to all its property, plant and equipment. In accordance with this regulation, the depreciable base takes account of the potential residual value of fixed assets.

ANC regulation no. 2015-06 amends the accounting of the technical merger deficit on the balance sheet as well as its follow-up in the financial statements. The deficit is no longer always and systematically recognised under "Goodwill"; it must be recognised on the balance sheet according to the asset heading to which it is allocated under "other property, plant and equipment", "intangible assets", "financial assets", etc. The deficit is amortised, impaired or derecognised on the balance sheet in the same manner as the underlying asset.

Amundi Finance

When Amundi Asset Management contributed its guarantee activity in 2004, Amundi Finance booked goodwill valued at €227,424 K. This goodwill was not subject to any impairment.

The acquisition cost of fixed assets includes the purchase price plus any incidental expenses, namely expenses directly or indirectly incurred in connection with bringing the asset into service or “into inventory”.

Buildings and equipment are recognised at acquisition price less accumulated depreciation and write-offs since they were commissioned.

Acquired software is measured at cost less amortisation or write-offs booked since their acquisition date.

Proprietary software is accounted for at production cost less amortisation or write-offs booked since completion.

Intangible assets other than software, patents and licences are not amortised. If applicable, they can be subject to a write-off.

Fixed assets are amortised or depreciated over their estimated useful lives.

The following components and depreciation periods were adopted by Amundi Finance following the application of the component approach for accounting for fixed assets. These depreciation periods are adjusted according to the nature of the building and its location:

component	depreciation period
Technical equipment and installations	5 years
IT equipment	3 years

2.4 Amounts owed to credit institutions and customers

Amounts due to credit institutions and customers are presented in the financial statements according to their initial maturity or the nature of the liability:

- Demand or term loans with institutions;
- Other liabilities owed to customers (these notably include financial customers).

Accrued interest on these debts is recognised in a related accrued payables account and on the income statement.

2.5 Debt securities

Debt evidenced by a security is presented according to type: interest-bearing notes, interbank securities, negotiable debt securities and bonds, with the exclusion of subordinated securities that are classified under liabilities as “Subordinated debt”.

Accrued interest not yet due is recorded under a related accrued payables account and on the income statement.

Bond issue and redemption premiums are amortised over the life of the securities, and the corresponding expense is recognised under the heading “Interest and similar expenses on bonds and other fixed-income securities”.

2.6 Provisions

Amundi Finance applies ANC regulation 2014-03 of 5 June 2014 to recognise and assess provisions.

These provisions include provisions relating to financial guarantees, pension commitments and early retirement plans, litigation and various risks.

All of these risks are assessed on a quarterly basis.

2.7 Derivatives transactions

Hedging and market transactions using interest rates, forex or equity derivatives are recognised according to the provisions of Title 5 Financial derivative instruments of Book II Special transactions of ANC regulation 2014-07 of 26 November 2014.

Off-balance sheet commitments relating to these transactions record the notional amount of the contracts that have not yet been unwound at the reporting date. In the case of options, the commitments reflect the nominal amount of the underlying instrument.

At 31 December 2019, financial derivatives commitments stood at €64,601,227 thousand.

Instruments traded on an organised market or equivalent or over the counter are valued based on their market value at the reporting date.

All gains and losses (realised or unrealised) are recorded on the income statement under the heading “Balance of trading portfolio transactions” for a net amount representing income of €77,881,913.41, of which €61,474,806.24 for underwriting the launch of new EMTN funds.

The results of these transactions are recognised according to the type of instrument and the strategy implemented:

Market transactions

Market transactions include:

- isolated open positions (category “a” Article 2522-1 of ANC regulation 2014-07)
- the specialised management of a trading portfolio (category “d” Article 2522 of ANC regulation 2014-07)
- instruments traded on an organised market or equivalent, over the counter, or included in a trading portfolio as defined by ANC regulation 2014-07.

Amundi Finance

They are valued based on their market value at the reporting date.

When the instruments are valued at their market value, this value is determined:

based on available prices, if there is an active market;

based on internal valuation methods and models, in the absence of an active market.

For instruments:

- in an isolated open position traded on organised or similar markets, all gains and losses (realised or unrealised) are recognised;

- in an isolated open position traded on OTC markets, only potential unrealised losses are recorded via a provision.

The realised capital gains and losses are recognised in profit or loss at the time of settlement;

- that are part of a trading portfolio, all gains and losses (realised or unrealised) are recognised.

Hedging transactions

Gains or losses on allocated hedges (category “b” Article 2522-1 of ANC regulation 2014-07) are recorded in the income statement symmetrically to the recognition of the income and expenses of the hedged item and under the same accounting heading.

Counterparty risk on derivative instruments

In accordance with ANC regulation 2014-07 of 26 November 2014, Amundi Finance incorporates the assessment of the counterparty risk on derivative assets (Credit Valuation Adjustment or CVA) into the market value of derivatives. Only derivatives recognised in an isolated open position and in a trading portfolio (the derivatives respectively classified according to categories a and d of Article 2522-1 of the aforementioned regulation) are subject to a CVA calculation.

The CVA makes it possible to determine expected counterparty losses from Amundi Finance’s perspective.

The calculation of the CVA is done by estimating the expected losses based on the probability of default and the loss given default.

The methodology used maximises the use of observable market data.

It is based:

- Primarily on market data such as registered and listed single-name CDSs or CDS proxies.

- In the absence of a single-name CDS for the counterparty, on an approximation based on a basket of single-name CDS of counterparties with the same rating, operating in the same sector and located in the same region.

Complex transactions

A complex transaction is defined as a synthetic combination of instruments (of the same or different type, nature, method of valuation) recognised as a single instrument, or a transaction that is not recognised according to an explicit regulation and that implies a principle of choice by the institution.

Income and expenses relating to the instruments traded as part of complex transactions, particularly the issuance of structured notes, are recognised on the income statement symmetrically to the method of recognition of the income and expenses of the hedged item. Accordingly, changes in the values of hedging instruments are not recognised on the balance sheet.

2.8 Foreign currency transactions

Assets and liabilities denominated in foreign currency are translated into euros at the exchange rate prevailing on the balance sheet date. The gains or losses resulting from these translations, as well as the translation differences arising from the transactions of the financial year, are recorded on the income statement.

Money market assets and liabilities, as well as forex forward contracts recorded as off-balance sheet commitments denominated in foreign currencies are translated at the foreign exchange rate prevailing at the balance sheet date or the market price on the nearest preceding date.

Within the context of the application of Title 7 Accounting of transactions in foreign currencies of Book II Special transactions of ANC regulation 2014-07 of 26 November 2014, Amundi Finance has implemented multi-currency accounting enabling it to monitor its foreign exchange position and to assess its exposure to this risk.

2.9 Off-balance sheet commitments

Off-balance sheet commitments mainly reflect the unused portion of financing commitments and guarantee commitments given and received.

Where applicable, commitments given are subject to a provision when there is a probability of a claim resulting in a loss for Amundi Finance.

Guarantee commitments given

As part of its activity Amundi Finance grants guarantees when issuing capital and performance guarantees in favour of Amundi's clients (in accordance with the calculation methods below).

At 31 December 2019, these guarantees and directly granted guarantees totalled €24,166,598 thousand. These items are nevertheless broken down in notes 26 and 26.1.

Reported off-balance sheet items do not include commitments on financial derivative instruments or foreign exchange transactions.

2.10 Employee profit-sharing and incentive plans

Some group companies have formed "Social and Economic Units" (Amundi, Amundi AM, Amundi ITS, Amundi Finance, Amundi Tenue de Comptes, Amundi Immobilier, Amundi Intermédiation, Amundi Private Equity Funds, Etoile Gestion, BFT IM, Société Générale Gestion, CPR AM and Amundi Transition Energétique). Agreements regarding employee profit-sharing and incentive plans have been signed in this context. Profit sharing and incentive plans are recognised under personnel expenses.

The employees provided by Crédit Agricole S.A. are covered by agreements signed for that entity's SEU. The estimated expense to be paid for the profit-sharing and incentive plans allocated in this context is recorded in the financial statements.

2.11 Post-employment benefits - retirement plans - defined-contribution plans

Retirement plans - Defined contribution plans

There are several compulsory plans to which "employer" companies contribute. The funds are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have sufficient assets to cover all benefits corresponding to services rendered by the employees during the current or prior financial years.

Consequently, Amundi Finance has no liabilities in this respect other than its contributions for the year just ended. The amount of the contributions made to these pension plans is recognised under "personnel expenses".

Amundi Finance

Commitments relative to pension plans, early retirement and end-of-service benefits - defined benefits schemes

Since 1 January 2013, Amundi Finance applies ANC recommendation no. 2013-02 of 7 November 2013 regarding the accounting and valuation rules for pension commitments and other related benefits, which was repealed and incorporated into section 4 of chapter II of Title III of ANC regulation 2014-03 of 5 June 2014.

In accordance with this regulation, Amundi Finance provisions its pension commitments and other related benefits falling under the category of defined benefit plans.

At 31 December 2019, these commitments were valued at €207 thousand, while provisions amounted to €63 thousand.

The sensitivity rates (at 31 December 2019) demonstrate that:

- a 50 basis point increase in discount rates would reduce the commitment by 10.49%.
- a change of less than 50 bp in discount rates would result in a 9.41% increase in the commitment.

Within the Amundi Group, Amundi Finance has signed an insurance contract for an “end-of-service allowance” (IFC) with PREDICA, and mandate agreements were signed between Amundi and its SEU subsidiaries. This outsourcing of the IFC resulted in the transfer of a portion of the liability provision on the financial statements to the PREDICA contract. The non-outsourced balance is still recognised as a liability provision.

2.12 Extraordinary income and expenses

Extraordinary income and expenses consist of expenses and income that occur on an exceptional basis and that are associated with operations that do not pertain to Amundi Finance’s ordinary business activities.

2.13 Corporate income tax

Generally, only the current tax liability is recorded in the individual company financial statements.

The tax charge shown in the income statement is the corporate tax due for the financial year. It includes the impact of the employer social security contributions on earnings of 3.3%.

When tax credits on income from receivables and securities portfolios are effectively used to pay the corporate income tax due for the year, they are recognised under the same heading as the income with which they are associated. The corresponding tax charge continues to be recognised under the “Income tax” heading on the income statement.

Amundi Finance has signed a tax consolidation agreement with Amundi. Under these agreements, each company that is part of the tax consolidation agreement recognises the tax that it would have paid in the absence of the agreement in its financial statements.

NOTE 3 LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS – BREAKDOWN BY RESIDUAL MATURITY

(in thousands of euros)	31/12/2019						31/12/2018
	<3 months	>3 months <1 year	>1 year <5 years	>5 years	Total principal	Accrued receivables	Total
Credit institutions							
Accounts and loans:							
· demand	608,260				608,260		822
· term			1,000		1,000	194	1,093
Pledged securities							
Securities received under repurchase agreements							
Subordinated loans							
Total	608,260		1,000		609,260	194	1,915
Impairment							
NET CARRYING AMOUNT	608,260		1,000		609,260	194	1,915
Current accounts							
Term deposits and advances							
Total							
Impairment							
NET CARRYING AMOUNT							
TOTAL	608,260		1,000		609,260	194	1,915

NOTE 4 TRANSACTIONS WITH CUSTOMERS

None

NOTE 5 TRADING, AVAILABLE FOR SALE, INVESTMENT AND PORTFOLIO SECURITIES

In thousands of euros	31/12/2019					31/12/2018
	Trading	Available for sale	Portfolio	Investment	Total	Total
Treasury bills and similar securities:	75,710	406,546			482,256	291,336
- o/w residual net premium		20,546			20,546	15,336
-o/w residual net discount						
Accrued receivables		1,631			1,631	1,314
Impairment						
Net carrying amount	75,710	408,178			483,887	292,649
Bonds and other fixed-income securities:	1,043,094	11,000			1,054,094	534,370
Issued by public bodies						
Other issuers	967,384	11,000			978,384	534,370
- o/w residual net premium						
- o/w residual net discount						
Accrued receivables		8			8	10
Impairment		-6			-6	-191
Net carrying amount	1,043,094	11,001			1,054,095	534,190
Equities and other variable-income securities						331
Accrued receivables						
Impairment						-25
Net carrying amount						306
Total	1,118,804	419,179			1,537,983	827,145
Estimated values	1,118,804	419,179			1,537,983	827,145

NOTE 5.1 TRADING, AVAILABLE FOR SALE, INVESTMENT AND PORTFOLIO SECURITIES (excluding Treasury bills): BREAKDOWN BY MAIN COUNTERPARTY CATEGORY

In thousands of euros	Net exposures 31/12/2019	Net exposures 31/12/2018
Government and central bank (including States)	75,710	
Credit institutions	49,841	12,980
Financial companies	1,004,253	521,721
Local authorities Corporations, insurance companies and other customers		
Other and non-allocated		
Total principal	1,129,804	534,701
Accrued receivables	8	10
Impairment	-6	-215
Net carrying amount	1,129,805	534,496

Amundi Finance

Notes to the annual financial statements – 31 December 2019

NOTE 5.2 BREAKDOWN OF LISTED AND UNLISTED FIXED AND VARIABLE-INCOME SECURITIES

(in thousands of euros)	31/12/2019				31/12/2018			
	Bonds and other fixed-income securities	Treasury bills and similar securities	Equities and other variable-income securities	Total	Bonds and other fixed-income securities	Treasury bills and similar securities	Equities and other variable-income securities	Total
Listed securities	1,078,729	406,546		1,485,275	521,396	291,336		812,732
Unlisted securities	51,075			51,075	12,974		331	13,304
Accrued receivables	8	1,631		1,639	10	1,314		1,324
Impairment	-6			-6	-191		-25	-215
Net carrying amount	1,129,805	408,178		1,537,983	534,190	292,649	306	827,145

The breakdown of all UCITS by type at 31 December 2019 is the following: none

NOTE 5.3 TREASURY BILLS, BONDS AND OTHER FIXED-INCOME SECURITIES: ANALYSIS BY REMAINING MATURITY

In thousands of euros	31/12/2019							31/12/2018
	<3 months	>3 months <1 year	>1 year <5 years	>5 years	Total principal	Accrued receivables	Total	Total
Bonds and other fixed-income securities								
Gross value	78	1,712	42,925	1,085,089	1,129,804	8	1,129,812	534,380
Impairment				-6	-6		-6	-191
Net carrying amount					1,129,797	8	1,129,805	534,190
Treasury bills and similar securities								
Gross value			353,882	52,664	406,546	1,631	408,178	292,649
Impairment								
Net carrying amount					406,546	1,631	408,178	292,649

NOTE 5.4 TREASURY BILLS, BONDS AND OTHER FIXED-INCOME SECURITIES: ANALYSIS BY GEOGRAPHIC REGION

In thousands of euros	Net exposures	Net exposures
	31/12/2019	31/12/2018
France (including overseas departments and territories)	1,438,098	823,732
Other EU countries	76,558	1,974
Other European countries		
North America		
Central and South America		
Africa and the Middle East		
Asia and Oceania (excl. Japan)		
Japan		
Total principal	1,514,657	825,706
Accrued receivables	1,639	1,324
Impairment	-6	-191
NET CARRYING AMOUNT	1,516,290	826,839

NOTE 6 EQUITY INVESTMENTS AND SUBSIDIARIES

(in thousands of euros)

Company	Currency	financial information			Carrying value of shares held		Loans and advances granted by the company not yet repaid	Amount of guarantees and endorsements given by the Company	Sales excl. tax of the last financial year	Earnings (profit or loss of the last financial year)	Dividends received by the company over the year
		Capital	Equity other than share capital	Percentage of capital owned	gross value	net value					
Equity stakes with a book value higher than 1% of the company's share capital											
1) Stakes in banking subsidiaries and affiliates (over 50% of share capital)											
2) Stakes in banking subsidiaries and affiliates (10% to 50% of share capital)											
3) Stakes in other subsidiaries and affiliates (over 50% of share capital)											
AMUNDI ESR	EUR	24,000	2,208	100.00%	34,167	34,167		47,996	9,393	6,816	
AMUNDI INTERMEDIATION	EUR	14,604	42,937	38.53%	5,628	5,628		176,734	85,822	29,463	
4) Other equity stakes (10% to 50% of share capital)											
Equity stakes with a book value lower than 1% of Amundi Finance's share capital											
	EUR				13,149	9,907					
TOTAL SUBSIDIARIES AND EQUITY INVESTMENTS					52,944	49,702					

Amundi Finance

Notes to the annual financial statements – 31 December 2019

NOTE 7 CHANGE IN FIXED ASSETS

NOTE 7.1 Financial Assets

(in thousands of euros)	01/01/2019	Increases (Acquisitions)	Decreases (disposals, maturity)	Other movements	31/12/2019
Stakes in subsidiaries and affiliates					
Gross values	52,944				52,944
Advances to be consolidated					
Accrued receivables					
Impairment	-3,562	-8	328		-3,242
NET CARRYING AMOUNT	49,382	-8	328		49,702
Participating interests					
Gross values					
Advances to be consolidated					
Accrued receivables					
Impairment					
Other long-term securities holdings					
Gross values					
Advances to be consolidated					
Accrued receivables					
Impairment					
NET CARRYING AMOUNT					
TOTAL	49,382	-8	328		49,702

NOTE 7.2 Property, plant and equipment and intangible assets

(in thousands of euros)	01/01/2019	Increases (Acquisitions)	Decreases (disposals, maturity)	Other movements	31/12/2019
Property, plant and equipment					
Gross values					
Depreciation and impairments					
NET CARRYING AMOUNT					
Intangible assets					
Gross values	227,424				227,424
Amortisation and impairment					
NET CARRYING AMOUNT	227,424				227,424
TOTAL	227,424				227,424

Amundi Finance

Notes to the annual financial statements– 31 December 2019

NOTE 8 TREASURY SHARES

None

NOTE 9 ACCRUALS AND SUNDRY ASSETS

(in thousands of euros)	31/12/2019	31/12/2018
Other assets (1)		
Options purchased	972,659	878,070
Inventory accounts and other resources used		
Sundry debtors (2)	371,052	1,108,149
Collective management of LDD securities		
Settlement accounts		
Net carrying amount	1,343,711	1,986,219
Accruals		
Collection and transfer accounts		
Adjustment accounts and variance accounts		
Unrealised losses and losses to be spread out on financial instruments		
Accrued income on derivatives commitments		
Other accrued income	48,119	56,466
Prepaid expenses		1
Deferred expenses	108	146
Other accruals		180,450
Net carrying amount	48,226	237,063
Total	1,391,937	2,223,281

(1) amounts include accrued receivables.

(2) including €813 thousand in contribution to the Resolution Fund paid in the form of a deposit guarantee. This deposit guarantee can be used unconditionally and at any time by the Resolution Fund to finance an operation.

OTHER ASSETS primarily consist of collateral deposits paid (€293,154 thousand), advance corporate tax instalments (€34,806 thousand), customer receivables (€110 thousand), options purchased (for €972,659 thousand) and other receivables (€38,373 thousand).

Other accrued income relates mainly to the collateral activity.

NOTE 10 IMPAIRMENT OF ASSETS

(in thousands of euros)	Balance at 31/12/2018	Provisions	Reversals and use	Accretion	Other movements	Balance at 31/12/2019
On interbank and similar transactions						
On loans and receivables due from customers						
On securities transactions	3,778	8	-537			3,249
On fixed assets						
On other assets						
Total	3,778	8	-537			3,249

NOTE 11 AMOUNTS OWED TO CREDIT INSTITUTIONS – BREAKDOWN BY RESIDUAL MATURITY

(in thousands of euros)	31/12/2019					Accrued payables	Total	31/12/2018 Total
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal			
Credit institutions								
Accounts and borrowings:								
· demand	658,100				658,100	7	658,107	620,585
· term	100,000	286,000			386,000		386,000	276,000
Pledged securities								
Securities delivered under repurchase agreements								
CARRYING AMOUNT	758,100	286,000			1,044,100	7	1,044,107	896,585

NOTE 12 CUSTOMER CREDIT BALANCES

None

NOTE 13 DEBT SECURITIES

Note 13.1 DEBT SECURITIES – BREAKDOWN BY RESIDUAL MATURITY

(in thousands of euros)	31/12/2019							31/12/2018 Total
	≤3 months	>3 months ≤1 year	>1 year ≤5 years	>5 years	Total principal	Accrued payables	Total	
Interest-bearing notes								
Interbank and similar transactions								
Negotiable debt securities			1,000	11,000	12,000	15	12,015	12,015
Bonds								
Other debt securities								
CARRYING AMOUNT			1,000	11,000	12,000	15	12,015	12,015

Amundi Finance

Notes to the annual financial statements – 31 December 2019

NOTE 14 ACCRUALS AND SUNDRY LIABILITIES

(in thousands of euros)	31/12/2019	31/12/2018
Other liabilities (1)		
Principle trades (trading securities)		
Payables arising from securities borrowed		
Options sold	743,327	1,071,288
Settlement and trading accounts		
Sundry creditors	863,450	504,179
Outstanding payments on securities		
Carrying amount	1,606,777	1,575,466
Accruals		
- Collection and transfer accounts		
- Adjustment accounts and variance accounts		
- Unrealised gains and gains to be spread out on financial instruments	20,654	15,481
- Deferred income	5,974	3,839
- Accrued expenses on derivatives commitments	272,962	18,729
- Other accrued expenses	9,765	8,904
- Other accruals		
Carrying amount	309,355	46,954
TOTAL	1,916,132	1,622,420

(1) amounts include accrued payables.

OTHER LIABILITIES primarily consist of collateral deposits received (€809,098 thousand), options sold (for €743,327 thousand), corporate tax (€45,972 thousand) and other payables for the remainder.

NOTE 15 PROVISIONS

In thousands of euros	Balance at 01/01/2019	Increases	Reversals used	Reversals unused	Other movements	Balance at 31/12/2019
Provisions						
For pensions and similar obligations	64			-1		63
For other employee commitments						
For financial guarantee execution risks	20,814	8,235		-20,436		8,613
For tax disputes						
For other litigation						
For country risk						
For credit risk						
For restructuring						
For taxes						
For equity interests						
For operational risk						
Other provisions	6,677	1,794	-701	-77		7,693
CARRYING AMOUNT	27,555	10,029	-701	-20,515		16,368

Amundi Finance

Notes to the annual financial statements– 31 December 2019

NOTE 16 HOME PURCHASE SAVINGS

None

NOTE 17 Employee-related liabilities - Post-employment benefits, defined benefits schemes

(in thousands of euros)	31/12/2019	31/12/2018	(in thousands of euros)	31/12/2019	31/12/2018
Actuarial liability at 31/12/Y-1	205	224	Fair value of assets / right to reimbursement at 31/12/Y-1	141	139
Cost of services rendered during the period	10	11	Expected return on assets	2	2
Effect of discounting	3	3	Actuarial gains (losses)	1	
Employee contributions			Employer contributions		
Changes, reductions in and wind-ups of schemes		-40	Employee contribution		
Change in scope			Change/reduction/wind-up of schemes		
End-of-service benefits			Change in scope		
Benefits paid			End-of-service benefits		
Actuarial gains / (losses)	-12	7	Benefits paid by the fund		
Actuarial liability at 31/12/Y	207	205	Fair value of assets / right to reimbursement at 31/12/Y	144	141

Net position

Breakdown of the expense recorded on the income statement

(in thousands of euros)	31/12/2019	31/12/2018	(in thousands of euros)	31/12/2019	31/12/2018
Actuarial liability at 31/12/Y	207	205	Actuarial liability at 31/12/Y	207	205
Cost of services rendered during the period	10	-29	Impact of the asset ceiling		
Financial cost	3	3	Fair value of assets at year-end	-144	-141
Expected return on assets for the period	-2	-2	Net position (liabilities)/assets at 31/12/Y	-63	-64
Amortisation of cost of past services					
Other gains or losses					
Net expense recognised in the income statement	11	-28			

NOTE 18 FUND FOR GENERAL BANKING RISKS

None

Amundi Finance

Notes to the annual financial statements – 31 December 2019

NOTE 19 SUBORDINATED DEBT: BREAKDOWN BY RESIDUAL MATURITY

(in thousands of euros)	31/12/2019							31/12/2018
	<3 months	>3 months <1 year	>1 year <5 years	>5 years	Total principal	Accrued payables	Total	Total
Subordinated term debt								
Euro								
Dollar								
Participation securities								
Other term subordinated loans								
Perpetual subordinated debt (1)				100,000	100,000	13	100,013	100,040
Blocked current accounts of Local Banks								
Mutual guarantee deposits								
CARRYING AMOUNT				100,000	100,000	13	100,013	100,040

(1) the residual maturity of perpetual subordinated debt is by default classified as > 5 ans.

The amount of expenses relating to subordinated debt totalled €13 thousand at 31 December 2019.

NOTE 20 CHANGE IN EQUITY

(in thousands of euros)	Capital	Premiums, reserves and retained earnings	Interim dividends	Regulated provisions & investment subsidies	Net income	Total equity
Balance at 31 December 2018	40,320	543,724			86,488	670,532
Dividends paid for 2018		-82,148				-82,148
Change in share capital						
Change in premiums and reserves						
Appropriation of income		86,488			-86,488	
Retained earnings						
Profit or loss for financial year 2019					139,480	139,480
Other changes						
Balance at 31 December 2019	40,320	548,063			139,480	727,864

NOTE 21 COMPOSITION OF EQUITY

(in thousands of euros)	31/12/2019	31/12/2018
Equity	727,864	670,532
Fund for general banking risks		
Subordinated debt and participation securities	100,013	100,040
Mutual deposit guarantees		
TOTAL EQUITY	827,877	770,572

Amundi Finance

Notes to the annual financial statements – 31 December 2019

NOTE 22 TRANSACTIONS WITH SUBSIDIARIES AND AFFILIATES AND EQUITY INTERESTS

(in thousands of euros)	Balance at 31 December 2019 Transactions with subsidiaries, affiliates and equity interests	Balance at 31 December 2018 Transactions with subsidiaries, affiliates and equity interests
Loans and receivables	1,662,665	536,081
due from credit institutions and financial institutions	609,418	1,891
due from customers		
Bonds and other fixed-income securities	1,053,247	534,190
Debts	1,144,120	996,625
to credit institutions and financial institutions	1,044,107	896,585
to customers		
Debt securities and subordinated debt	100,013	100,040
Commitments given	12,724,237	9,456,113
Financing commitments to credit institutions		
Financing commitments to customers		
Guarantees given to credit institutions		
Guarantees given to customers	12,724,237	9,456,113
Securities acquired with repurchase or buyback option		
Other commitments given		

NOTE 23 TRANSACTIONS IN FOREIGN CURRENCIES

(in thousands of euros)	31/12/2019		31/12/2018	
	Assets	Liabilities	Assets	Liabilities
Euro	3,816,470	3,816,497	2,245,820	2,245,837
Other EU currencies				
Swiss franc				
Dollar		2		
Yen				
Other currencies	29		28	
Total	3,816,499	3,816,499	2,245,848	2,245,837

NOTE 24 FOREIGN EXCHANGE TRANSACTIONS, LOANS AND BORROWINGS

None

Amundi Finance

Notes to the annual financial statements – 31 December 2019

NOTE 25 DERIVATIVES TRANSACTIONS

(in thousands of euros)	31/12/2019			31/12/2018
	Hedging transactions	Other transactions	Total	Total
Forward commitments	386,000	44,060,269	44,446,269	44,763,901
Transactions on organised markets (1)				
Interest rate futures				
Foreign exchange futures				
Equity and equity index futures				
Other futures				
Over-the-counter transactions (1)	386,000	44,060,269	44,446,269	44,763,901
Interest rate swaps	386,000	3,283,329	3,669,329	3,526,371
Other interest rate forwards				
Foreign exchange forwards				
FRAs				
Equity and equity index forwards		40,776,940	40,776,940	41,237,530
Other forwards				
Options		20,154,958	20,154,958	16,419,489
Transactions on organised markets				
Interest rate options				
* Bought				
* Sold				
Equity and equity index options				
* Bought				
* Sold				
Interest rate options				
* Bought				
* Sold				
Over-the-counter transactions		20,154,958	20,154,958	16,419,489
Interest rate swaptions:				
* Bought				
* Sold				
Other interest rate options				
* Bought				
* Sold				
Foreign exchange options:				
* Bought				
* Sold				
Equity and equity index options				
* Bought		14,967,204	14,967,204	11,068,664
* Sold		5,187,755	5,187,755	5,350,825
Other options				
* Bought				
* Sold				
Credit derivatives				
Credit derivative contracts				
* Bought				
* Sold				
TOTAL	386,000	64,215,227	64,601,227	61,183,390

(1): The amounts indicated for forward commitments must correspond to the sum of the borrowing and lending positions (interest rate swaps and swaptions), or the sum of contracts bought and sold (other contracts)

NOTE 25.1 DERIVATIVES TRANSACTIONS: NOTIONAL AMOUNTS BY RESIDUAL MATURITY

	Total 31/12/2019			o/w over-the-counter			o/w on organised and equivalent markets		
	<1 year	> 1 year < 5 years	> 5 years	<1 year	> 1 year < 5 years	> 5 years	< 1 year	> 1 year < 5 years	> 5 years
(in thousands of euros)									
Futures									
Forex options									
Interest rate options									
Futures in foreign currency on organised markets									
FRAs									
Interest rate swaps	284,264	1,903,200	1,481,864	284,264	1,903,200	1,481,864			
Currency swaps									
Caps, Floors, Collars									
Interest rate forwards									
Equity and index futures and forwards	2,471,998	15,920,078	22,384,865	2,471,998	2,471,998	22,384,865			
Equity and index options	107,042	8,921,586	11,126,330	107,042	8,921,586	11,126,330			
Equity and equity index derivatives									
Sub-total	2,863,304	26,744,864	34,993,059	2,863,304	13,296,784	34,993,059			
Forex derivatives									
Grand total	2,863,304	26,744,864	34,993,059	2,863,304	13,296,784	34,993,059			

NOTE 25.2 DERIVATIVE INSTRUMENTS: FAIR VALUE

	31/12/2019		31/12/2018	
	Fair value	Outstanding notional amount	Fair value	Outstanding notional amount
(in thousands of euros)				
Futures				
Forex options				
Futures in foreign currency on organised markets				
FRAs				
Interest rate swaps	-192	3,669,329	-587	3,526,371
Currency swaps				
Caps, Floors, Collars				
Equity and equity index and precious metal derivatives	-36,237	60,931,898	-12,181	57,657,019
Sub-total	-36,429	64,601,227	-12,767	61,183,390
Forex derivatives				
TOTAL	-36,429	64,601,227	-12,767	61,183,390

Amundi Finance

Notes to the annual financial statements – 31 December 2019

NOTE 25.3 BREAKDOWN OF INTEREST RATE AND CURRENCY SWAPS

(in thousands of euros)

INTEREST RATE AND CURRENCY SWAPS	Isolated open positions	Micro-hedging	Macro-hedging	Trading
Swaps		386,000		3,283,329
Similar contracts (1)				

(1) within the meaning of article 1 of regulation 90.15 of the CRBF.

NOTE 26 FINANCING AND GUARANTEE COMMITMENTS AND OTHER GUARANTEES

(in thousands of euros)	31/12/2019	31/12/2018
COMMITMENTS GIVEN	24,166,598	22,053,378
Financing commitments		
Commitments to credit institutions		
Commitments to customers		
- Confirmed credit lines		
Documentary credit lines		
Other confirmed credit lines		
- Other commitments to customers		
Guarantee commitments	24,166,598	22,053,378
Commitments to credit institutions		
- Confirmed documentary credit lines		
- Other guarantees		
Commitments to customers	24,166,598	22,053,378
- Real estate guarantees		
- Financial guarantees		
- Other guarantees to customers	24,166,598	22,053,378
Securities commitments		
Securities acquired with repurchase or buyback option		
Other commitments given		
COMMITMENTS RECEIVED		
Financing commitments		
Commitments received from credit institutions		
Commitments received from customers		
Guarantee commitments		
Commitments received from credit institutions		
Commitments received from customers		
Securities commitments		
Securities sold with repurchase or buyback option		
Other commitments received		

Amundi Finance

Notes to the annual financial statements – 31 December 2019

NOTE 26.1 ASSETS GIVEN AND RECEIVED AS COLLATERAL

In accordance with EMIR (the European Market and Infrastructure Regulation), which applies to all counterparties, whether financial (credit institutions, investment firms, insurance companies, asset management companies, etc.) or non-financial, that carry out OTC derivative transactions, Amundi Finance recorded as part of its activity:

- assets received as collateral from its counterparties in the amount of €1,252,352 thousand,
- assets delivered as collateral to its counterparties in the amount of €350,091 thousand.

NOTE 27 INFORMATION ON COUNTERPARTY RISK ON DERIVATIVE PRODUCTS

The management of counterparty risk (companies, banks, institutional investors) is based on:

- an organisation by specialised unit and business line reporting to the executive management.
- the internal procedures that set the rules for risk taking and monitoring that apply to the various operating functions of the company. This principle of setting a commitment limit applies to all types of counterparties: companies, banks, financial institutions, public or semi-public entities. Likewise, risks taken on counterparties controlled or residing in a country that does not belong to the OECD are limited on a country-by-country basis, for all types of transactions. These country limits are revised periodically.
- risk measurement methodologies. Each counterparty has a maximum commitment limit that includes all transactions.

The company's exposure to counterparty risks on interest rate, commodity and precious metals derivatives can be measured by the market value of these instruments and the potential credit risk resulting from the application of regulatory add-on factors, depending on the residual life and nature of the contracts.

Breakdown of counterparty risks on derivative instruments

(in thousands of euros)	31/12/2019			31/12/2018		
	Market value	Potential credit risk	Total counterparty risk	Market value	Potential credit risk	Total counterparty risk
Risks on governments and central banks of the OECD and equivalent entities						
Risks on governments and central banks of the OECD and equivalent entities	1,780,224	7,201	1,773,023	1,512,844	18,729	1,494,115
Risks on other counterparties						
Total before impact of netting agreements	1,780,224	7,201	1,773,023	1,512,844	18,729	1,494,115
O/w risk on:						
Interest rates, currencies and commodities	94,381		94,381	64,605		64,605
Equity and index derivatives	1,685,844		1,685,844	1,448,239		1,448,239
Total before impact of netting agreements	1,780,224		1,780,224	1,512,844		1,512,844
Impacts of netting agreements	806,798		806,798	463,110		463,110
Total after impact of netting agreements	973,426	7,201	966,225	1,049,734	18,729	1,031,005

NOTE 28 NET INTEREST AND SIMILAR INCOME

(in thousands of euros)	31/12/2019	31/12/2018
On transactions with credit institutions	4,069	3,443
On transactions with customers	5	1
On bonds and other fixed-income securities	50	46
Net income on macro-hedging transactions		
Other interest and similar income	25	38
Interest and similar income	4,149	3,528
On transactions with credit institutions	-5,488	-5,626
On transactions with customers	-1,363	-2,309
Net expense on macro-hedging transactions	-1,799	-1,105
On bonds and other fixed-income securities	-75	-68
Other interest and similar expenses	-164	-136
Interest and similar expenses	-8,890	-9,245
Total net interest and similar income	-4,741	-5,717

NOTE 29 INCOME FROM SECURITIES

(in thousands of euros)	31/12/2019	31/12/2018
Available for sale securities		
Sustainable development passbook account (LDD)		
Investment securities		
Other securities transactions		
Income from fixed-income securities		
Stakes in subsidiaries and affiliates, participating interests and other long-term equity interests	35,951	38,469
Available for sale and portfolio securities		
Other securities transactions		
Income from variable-income securities	35,951	38,469
TOTAL INCOME FROM SECURITIES	35,951	38,469

NOTE 30 NET FEE AND COMMISSION INCOME

(in thousands of euros)	31/12/2019			31/12/2018		
	Income	Expenses	Net	Income	Expenses	Net
On transactions with credit institutions						
On transactions with customers						
On securities transactions	26,184	-21,243	4,942	18,259	-15,625	2,634
On derivatives transactions and other off-balance sheet transactions	73,254	-1,701	71,553	87,894	-5,002	82,892
On financial services						
Provision for risks on fees and commissions	778	-1,794	-1,016	3,936	-2,501	1,435
TOTAL NET FEE AND COMMISSION INCOME	100,216	-24,738	75,479	110,090	-23,128	86,961

NOTE 31 GAINS OR LOSSES ON TRADING PORTFOLIO TRANSACTIONS

(in thousands of euros)	31/12/2019	31/12/2018
Balance of trading transactions	23,264	-1,377
Balance of currency transactions and similar financial instruments		
Balance of other derivatives transactions	54,618	33,097
GAINS OR LOSSES ON TRADING PORTFOLIO TRANSACTIONS	77,882	31,719

NOTE 32 GAINS OR LOSSES ON AVAILABLE FOR SALE, PORTFOLIO AND SIMILAR TRANSACTIONS

(in thousands of euros)	31/12/2019	31/12/2018
Available for sale securities		
Provisions for impairment	-8	-223
Reversals of impairment	537	41
Net impairment provisions or reversals	529	-182
Gains on disposals		
Losses on disposals	-19	
Net gain or loss on disposals	-19	
Balance of transactions on available for sale securities	509	-182
Portfolio securities		
Provisions for impairment		
Reversals of impairment		
Net impairment provisions or reversals		
Gains on disposals		
Losses on disposals		
Net gain or loss on disposals		
Balance of transactions on portfolio securities		
NET GAIN OR LOSS ON AVAILABLE FOR SALE, PORTFOLIO AND SIMILAR TRANSACTIONS	509	-182

Amundi Finance

Notes to the annual financial statements – 31 December 2019

NOTE 33 OTHER INCOME AND EXPENSES FROM BANKING OPERATIONS

(in thousands of euros)	31/12/2019	31/12/2018
Sundry income		
Share of joint ventures		
Rebilling and transfer of expenses		
Provision reversals		
Other income from banking operations		
Other expenses		
Share of joint ventures		
Rebilling and transfer of expenses	-722	-599
Provisions		
Other expenses from banking operations	-722	-599
OTHER INCOME AND EXPENSES FROM BANKING OPERATIONS	-722	-599

NOTE 34 GENERAL OPERATING EXPENSES

(in thousands of euros)	31/12/2019	31/12/2018
Personnel expenses		
Wages and salaries	-697	-800
Social security contributions	-290	-342
Profit-sharing and incentives	-75	-86
Taxes on remuneration	-123	-132
Total personnel expenses	-1,186	-1,360
Rebilling and transfers of personnel expenses		
Net personnel expenses	-1,186	-1,360
Administrative costs		
Taxes other than on income or payroll-related (1)	-4,136	-3,118
External services and other administrative costs	-4,628	-5,444
Total administrative expenses	-8,764	-8,562
Rebilling and transfers of administrative expenses		
Net administrative costs	-8,764	-8,562
GENERAL OPERATING EXPENSES	-9,951	-9,922

(1) of which €1,354 thousand for the Resolution Fund.

NOTE 34.1 HEADCOUNT

(average number of employees)	31/12/2019	31/12/2018
Executive level	9	9
Non-executive		
TOTAL	9	9
<i>Of which: France</i>	9	9
<i>International</i>		
<i>Of which: seconded employees</i>		

NOTE 35 COST OF RISK

(in thousands of euros)	31/12/2019	31/12/2018
Provisions and impairments	-8,235	-18,950
Impairment of doubtful loans		
Other provisions and impairment	-8,235	-18,950
Reversals of provisions and impairments	20,436	964
Reversals of impairment of doubtful loans		
Other reversals of provisions and impairments	20,436	964
Change in reversals and impairments	12,201	-17,986
Losses on non-impaired uncollectible loans and receivables		
Losses on impaired uncollectible loans and receivables		-2
Haircuts on restructured loans		
Recovered amounts on receivables written off		
Other losses		
Other income		
COST OF RISK	12,201	-17,988

NOTE 36 NET INCOME ON FIXED ASSETS

None

NOTE 37 CORPORATE INCOME TAX

(in thousands of euros)

Breakdown of income tax	Earnings before taxes	Tax due	Net income after tax
Income excluding extraordinary items	186,597	47,136	139,461
Regulated provisions employee profit-sharing	12	-7	20
Net income	186,609	47,129	139,480
Tax credits Dividend credit Allocation			
Corporate tax	186,609	47,129	139,480

Amundi Finance is part of the tax consolidation group of Amundi since 1 January 2010.

NOTE 38 PRESENCE IN NON-COOPERATIVE STATES OR TERRITORIES

None

NOTE 39 APPROPRIATION OF INCOME

Distributable income totalled €466,616,441.31, including the profit for financial year 2019 of €139,480,456.88 and retained earnings of €326,135,984.43.

For 2019, the proposed dividend payout is €139,461,833.17, i.e. a dividend per share of €52.73.

Retained earnings after distribution would thus be €326,154,608.14.

NOTE 40 PUBLICATION OF THE STATUTORY AUDITOR'S FEES

The company is fully consolidated into Amundi's accounts. The information relating to the auditor's fees is indicated in the notes to the Amundi Group's consolidated financial statements.

MISCELLANEOUS REMUNERATION

This information is not mentioned in the present notes, as it would indirectly disclose individual remuneration. The remuneration of the managers is disclosed to shareholders.

Amundi Finance

Notes to the annual financial statements– 31 December 2019

*This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.
This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

Amundi Finance

Annual General Meeting held to approve the financial statements for the year ended December 31, 2019

Statutory auditors' report on related party agreements

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine cedex
S.A.S. au capital de € 2 510 460
672 006 583 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Amundi Finance

Annual General Meeting held to approve the financial statements for the year ended December 31, 2019

Statutory auditors' report on related party agreements

To the Annual General Meeting of Amundi Finance,

In our capacity as statutory auditors of your Company, we hereby present to you our report on related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*) of the continuation of the implementation, during the year ended December 31, 2019, of the agreements previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement.

Agreements submitted for approval to the Annual General Meeting

We hereby inform you that we have not been notified of any agreements authorized and entered into during the year ended December 31, 2019 to be submitted to the Annual General Meeting for approval in accordance with Article R. 225-38 of the French Commercial Code (*Code de commerce*).

Agreements previously approved by the Annual General Meeting

We hereby inform you that we have not been notified of any agreements previously approved by the Annual General Meeting, whose implementation continued during the year ended December 31, 2019.

Neuilly-sur-Seine and Paris-La Défense, March 31, 2020

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit

ERNST & YOUNG et Autres

Laurent Tavernier

Claire Rochas

03

Declaration by the Chief Executive Officer

AMUNDI FINANCE
“Société Anonyme” (Public Limited Company)
with share capital of € 40,320,157
Registered office: 90, boulevard Pasteur, 75015 Paris
421 304 601 RCS PARIS

Declaration by the Chief Executive Officer

I declare that, to my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and provide a true and fair view of the financial position and results of the Company, and that the management report provides a true and fair view of the business trends, results and financial position of the Company, as well as a description of the main risks and uncertainties that it faces.

Paris, on 31st March 2020



Olivier GUILBAULT
Chief Executive Officer

LEGAL MENTIONS

AMUNDI FINANCE

French joint stock company (Société Anonyme) with a capital stock of €40,320,157

Financial company – Credit institution governed by the French Monetary and Financial Code

Head office: 90 boulevard Pasteur, 75015 Paris Cedex 15 - France

Siren no. 421 304 601 RCS Paris

Siret no. 42130460100022

APE code: 6419Z

VAT identification no. FR32 421 304 601