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AMUNDI FINANCE  
Annual Report 2017

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# Management report for financial year 2017

## MANAGEMENT REPORT TO THE BOARD OF DIRECTORS OF AMUNDI FINANCE

### On the financial statements for the fiscal year ended 31 December 2017

#### ACTIVITY DURING THE YEAR

Amundi France's core businesses are:

- guarantees,
- issuance of notes through its subsidiaries or directly,
- swaps and collateralisation between capital guarantee funds, its subsidiaries and the market.

#### 1. Guarantees provided to funds

	2016 commitments in €	2017 commitments in €	variation
Non PEA formula funds	7,695,682,710	8,265,070,927	7%
PEA formula funds	4,270,475,208	3,749,955,582	-12%
Portfolio insurance funds	3,568,669,965	4,657,706,930	31%
Other guarantee funds (money market funds)	1,111,204,846	973,602,266	-12%
<b>TOTAL funds guaranteed</b>	<b>16,646,032,729</b>	<b>17,646,335,705</b>	<b>6%</b>

#### Commitment exposures

Market conditions remained unfavourable for launching structured and guaranteed funds in 2017, with particularly low interest rate and spread levels, despite a slight increase over the year. Even in these interest rate and spread conditions, commitments rose 6% over the period compared to end-December 2016.

Formula funds (structured funds): for 2017, formula fund commitments were up slightly by +0.4%, of which -12% for formula funds not eligible for PEA equity savings plans and up +7% for PEA-eligible formula funds.

Portfolio insurance funds and other funds: portfolio insurance fund commitments reflected growth in guaranteed fund commitments in 2017, climbing +31%.

### **Impact on the guarantor's activity in 2017**

In 2017, calls on the guarantor amounted to €1,910k. They pertained to capital-guarantee money market funds (capital guarantee not renewed in 2017) and the recycling of formula funds and issues due for capital-guarantee funds over 6 months. Provisions were booked for formula fund recycling funds (€1,818k) and issues, and a CPPI with a MAX NAV Amundi Objectif Retraite 2020 guarantee (€1,710k). These provisions were recorded due to low interest rates, which have prevented fund assets from covering the capital guarantee.

The situation is stable, however, from a credit risk standpoint, and prospects of guarantee calls are low. Accordingly, no provisions have been booked in respect of formula funds.

### **2. Issuance of notes through subsidiaries dnA, Amundi Finance Emissions, LCL Emissions and Amundi Issuance.**

The three subsidiaries dedicated to the EMTN activity (Amundi Finance Emissions, LCL Emissions and Amundi Issuance) continued their issuance programme in 2017 to the Crédit Agricole network (for Amundi Finance Emissions), the LCL and CRELAN networks in Belgium (for LCL Emissions) and the BAWAG network in Austria (for Amundi Issuance), respectively for a notional amount of €991m, €499m and €8m in 2017. Outstanding amounts at the close of 2017 were €2,574m for Amundi Finance Emissions, €1,077m for LCL Emissions and €26m Amundi Issuance.

For these transactions, Amundi Finance provided a counter-guarantee to Crédit Agricole S.A. and LCL and to issuance vehicles Amundi Finance Emissions and LCL Emissions.

Amundi Finance issues totalled €12m in 2017.

Amundi Finance's commitments for issuance vehicles dnA, Amundi Finance Emissions and LCL Emissions came to €4,843,847k at 31 December 2017.

### **3. Swaps and collateralisation**

Derivatives clearing by Amundi Finance represented a notional amount of €52,298m at 31 December 2017 (including external counterparties and funds) versus €44,784m at 31 December 2016.

## **INCOME STATEMENT AT 31 DECEMBER 2017**

**Net Banking Income** amounted to €127,010k versus €192,495k at 31 December 2016.

The core businesses made the following contributions to Net Banking Income:

	31/12/2017	31/12/2016
<i>(in thousands of euros)</i>		
<b>ASSET MANAGEMENT NBI</b>	<b>64,584</b>	<b>121,361</b>
Fee and commission income	<b>86,256</b>	<b>131,649</b>
<i>o/w fixed commissions on off-balance sheet commitments</i>	30,169	26,264
<i>o/w variable commissions on off-balance sheet commitments</i>	37,095	94,161
<i>o/w provisions for guarantee activation</i>	1,966	
<i>o/w commissions on Notes</i>	17,026	11,224
Fee and commission expenses	<b>-21,672</b>	<b>-10,288</b>
<i>o/w commissions on off-balance sheet commitments</i>	-135	-109
<i>o/w market-making commissions</i>	-841	-746
<i>o/w management fees</i>	-88	
<i>o/w expenses on guarantee activation</i>	-1,910	
<i>o/w commissions on Notes</i>	-15,592	-9,433
<i>o/w provisions for guarantee activation</i>	-3,106	
<b>FINANCIAL NBI</b>	<b>63,452</b>	<b>72,299</b>
Interest and similar income	5,967	1,909
Interest and similar expenses	-10,418	-7,352
Net gains (losses) on trading book	56,126	29,122
Net gains (losses) on short-term investment portfolios and similar	996	1,847
Income from variable-income securities	10,781	46,773
<b>OTHER NBI INCOME</b>	<b>-1,026</b>	<b>-1,165</b>
Other banking income		
Other banking expenses	-1,026	-1,165
<b>NET BANKING INCOME</b>	<b>127,010</b>	<b>192,495</b>

**Asset Management NBI** amounted to €64,584k in 2017 versus €121,361k in 2016. This drop can primarily be attributed to non-recurring impacts (maturity of non-PEA funds), and comprises:

- fixed income on guarantees totalled €30,169k at 31 December 2017 versus €26,264k at 31 December 2016;
- variable income on guarantees amounted to €37,095k in 2017 versus €94,161k in 2016, down sharply due to the maturity of larger number of non-PEA funds in 2016;

- investment fee income in the amount of €17,026k in 2017 versus €11,224k in 2016, of which:
  - €17,026k in investment fees on Notes versus €11,218k at 31 December 2016.
- Reversals of provisions for guarantee activations on recycling funds amounting to €1,966k.
- fee and commission expenses amounted to -€21,672k in 2017 versus -€10,288k in 2016, consisting predominantly of:
  - rebates of investment fees on Notes in the amount of -€15,565k versus -€9,418k in 2016,
  - market-making fees on CA Oblig Immo in the amount of -€841k in 2017 versus -€746k in 2016,
  - guarantee commission expenses in the amount of -€135k,
  - management fees of -€88k on the issuance of EMTNs by Amundi Finance and managed by Amundi AM.
  - Guarantee activation expenses of -€5,016k, of which -€3,106k for allocations to provisions and -€1,910 for guarantee activations on recycling funds.

**Financial NBI** stood at €63,452k in 2017 versus €72,299k in 2016, comprising:

- revenues on securities of €10,781k versus €46,773k at 31 December 2016, of which:
  - dividends received from subsidiary Amundi Intermédiation of €5,552k versus €36,166k in 2016 (of which €11,558k in interim dividends in respect of 2016),
  - dividends received from subsidiary Amundi Tenue de Comptes of €5,664k versus €10,776k in 2016 (of which €4,992k in interim dividends in respect of 2016).

- net interest expense in the amount of -€4,451k (versus -€5,443k at 31 December 2016), of which:
  - interest expense of -€4 814k relating to the perpetual subordinated loan,
  - net income on guarantee deposits for collateral transactions and cash transactions of +€545k in 2017 versus -€594k in 2016,
  - a net expense of -€57k on the Securities Collat financing business.
  
- net income on the issuance of swaps, notes, collateral and trading book activities in the amount of +€56,126k (versus +€29,122k at 31 December 2016), of which:
  - +€49,577k (versus €34,410k at 31 December 2016) comprising allowances for funding risks on FFI activities for the marketing and launch of new formula funds and EMTNs,
  - +€6,245k for the Credit Valuation Adjustment (CVA),
  - +€303k in income from FFIs and carry on all structures (versus an expense of -€1,435k at 31 December 2016), predominantly including:
    - -€428k on formula funds, due to insufficient inflows at the launch of certain funds (losses offset by IRCs received on these funds),
    - +€1,453k on UCO (unit trust bond fund) structures,
    - +€65k on dnA,
    - +€1,783k on CA OBLIG IMMO,
    - -€1,746k on CA INDICIA due to insufficient inflows at the launch of certain funds (losses offset by IRCs received on these funds),
    - +€12k on LCL Emissions structures,
    - -€171k on BAWAG mainly due to insufficient inflows at the launch of certain EMTNs,
    - +€33k on Crelan,
    - -€952k on Asset Swaps,
    - +€254k on Amundi Finance EMTNs.



- gains on short-term investment portfolios of +€996k versus +€1,847k at 31 December 2016, of which:
  - +€1,006k in net earnings on short-term investment securities, associated with the structuring of fixed income formula funds, such as Asset Swaps applied to FFIs.

**Other NBI Income** stood at -€1,026k and mainly included the expense for Amundi Finance's contribution to the cost of Crédit Agricole SA bonds, in its capacity as key shareholder, versus -€1,165k in 2016.

**Operating expenses** can be broken down as follows:

(in thousands of euros)	31/12/2017	31/12/2016
<b>Employee expenses</b>		
Salaries	-760	-690
Benefits	-353	-310
Profit-sharing and incentive plans	-64	-112
Payroll-related tax	-127	-117
<b>Total employee expenses</b>	<b>-1,304</b>	<b>-1,229</b>
Charge-backs and reclassification of employee expenses		
<b>Net employee expenses</b>	<b>-1,304</b>	<b>-1,229</b>
<b>Administrative expenses</b>		
Taxes other than on income or payroll-related (1)	-3,179	-4,126
External services and other administrative expenses	-4,921	-4,155
<b>Total administrative expenses</b>	<b>-8,100</b>	<b>-8,282</b>
Charge-backs and reclassification of administrative expenses		
<b>Net administrative expenses</b>	<b>-8,100</b>	<b>-8,282</b>
<b>OPERATING EXPENSES</b>	<b>-9,404</b>	<b>-9,511</b>

(1) of which €685k for the resolution fund.

- employee expenses came out at €1,304k in 2017, representing an increase on 2016 (€1,229k), consisting primarily of:
  - salaries for permanent staff of €1,105k versus €987k at 31 December 2016,
  - payroll-related taxes of €127k, including €95k for the wage tax,
  - an end-of-career allowance of €11k.
  
- administrative expenses were stable at €8,100k in 2017 versus €8,282k in 2016, mainly comprising:
  - external services of €4,921k versus €4,155k at 31 December 2016, of which:
    - re-invoicing by the Resources Department of staff seconded to Amundi Finance in the amount of €1,869k, along with external services for €1,764k,
    - IT and database expenses of €873k, mainly relating to the Murex system,
    - Agoram rent and expenses of €127k,
    - statutory auditors' fees of €199k.
  - taxes other than on income and payroll-related in the amount of €3,179k, including in particular:
    - CET (local economic contribution)/CVAE (corporate value-added contribution) taxes of €1,767k versus €2,252k in 2016,
    - the systemic risk tax of €293k versus €409k in 2016,
    - the contribution to the Single Resolution Fund (SRF) of €685k versus €1,009k in 2016,
    - the ACPR tax of €87k versus €98k in 2016,
    - the ECB contribution of €55k compared with €67k in 2016,
    - the contribution to the local authorities support fund of €85k versus €95k in 2016,
    - the social solidarity contribution of €205k in 2017 versus €238k in 2016.

**Gross Operating Income** amounted to €117,606k in 2017 versus €182,984k in 2016.

**Cost of risk** was €1,026k in 2017 versus €2,768k in 2016, mainly consisting of:

- a reversal of +€1,235k of provisions for guarantee activation risks due to shortfalls on EMTNs issued by Amundi Finance Emissions,
- -€207k in provisions on interest rate, PEA and insurance guarantees, and more specifically, the Max NAV guarantee monetised after the drop in interest rates (Funds guaranteed: AMUNDI Objectif Retraite 2020, Fonds HADREE).

**Operating income and Pre-tax income on ordinary activities** amounted to €118,633k in 2017 versus €185,752k for 2016.

Corporation tax amounted to €37,097k, including a €1,000k reversal of the provision for tax risk on the LODEOM programme.

The tax rate came out at 31.27%.

**Net income** was €81,536k at 31 December 2017 versus €136,425k at 31 December 2016.

## BALANCE SHEET AT 31 DECEMBER 2017

The balance sheet totalled €2,988,476k at 31 December 2017 versus €1,642,887k at 31 December 2016. The main changes were as follows:

### **Assets (excluding FFIs):**

- Treasury bills and similar totalled €163,172k and comprised securities transactions in connection with EMIR,
- Loans and receivables due from credit institutions amounted to €221,520k, representing a decline on 2016 (€255,433k), primarily including:
  - €218,474k for intraday loans associated with the “collateral” business (note: the position at 31 December 2016 was an intraday loan of €189,221k),
  - €1,000k in term loans.

- Investments in subsidiaries and affiliates were stable at €48,299k in 2017 versus €48,306k in 2016:

PARTICIPATING INTERESTS AND SUBSIDIARIES	Currency	% control at 31/12/2016	2016 provision	Net carrying amount at 31/12/2016	Increase	Decrease	Gross carrying amount at 31/12/2017	2017 provision	Net carrying amount at 31/12/2017
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		10,160			10,160	7,032	3,128
AMUNDI IMMOBILIER	EUR	NS		52		-52	0		0
SCI LES PALMIERS BLEUS	EUR	100	999	0			999	999	0
SCI MASCARIN	EUR	100	999	0			999	999	0
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	48,000	1,951,914			1,999,914	48,000	1,951,914
CPR AM	EUR	NS		32		-32	0		0
AMUNDI PEF	EUR	NS		11		-11	0		0
<b>TOTAL</b>			<b>212,998</b>	<b>48,306,397</b>	<b>0</b>	<b>-95</b>	<b>48,519,300</b>	<b>220,030</b>	<b>48,299,270</b>

- Bonds and other fixed income securities amounted to €652,407k versus €22,756k at 31 December 2016. This position comprises bonds carried by Amundi Finance and issued by subsidiaries Amundi Finance Emissions, LCL Emissions and Amundi Issuance and by Crédit Agricole SA, before they are repurchased for destruction by these issuing companies.
- Equities and other variable income securities stood at €328k versus €715k at 31 December 2016.
- Other assets (excl. FFIs) came to €928,162k versus €1,032,351k at 31 December 2016, consisting primarily of:
  - guarantee deposits made to the collateral business in the amount of €853,821k versus €949,237k at 31 December 2016,
  - corporation tax instalments in the amount of €48,583k versus €63,365k at 31 December 2016,
  - trade receivables of €3,572k versus €4,089k at 31 December 2016.
- Accruals (excl. FFIs) climbed to €59,137k versus €55,902k at 31 December 2016, largely comprising accrued income on off-balance sheet commitments (capital guarantee funds and EMTNs) as revenues were collected: variable guarantee commissions on PEA funds are collected annually, and most fixed guarantee commissions are collected at the fund's maturity. The same applies to variable guarantee commissions on non-PEA funds.

Investment fees, redemption fees and guarantee commissions on EMTN issues are collected on a quarterly basis.

**Liabilities (excluding FFIs):**

- Liabilities to credit institutions totalled €460,218k, of which:
  - €304,000k in intraday borrowings from the group's central funding department versus an intraday loan of €254,600k at end-2016.
  - €156,000k in term borrowings used to fund activities in connection with EMIR, in effect since 2017.
  
- Debt securities of €12,015k comprising EMTNs issued by Amundi Finance.
  
- Other liabilities (excl. FFIs) of €1,077,847k in 2017 (€803,393k in 2016), i.e. mainly guarantee deposits received for the "collateral" business amounting to €1,040,813k and the corporation tax provision amounting to €37,898k.
  
- Accruals (excl. FFIs), at €11,994k versus €13,869k in 2016, can be broken down as follows:
  - €5,275k in unearned income, comprising allowances for funding risk on structures currently being marketed such as formula funds, EMTN Amundi Finance Emissions, EMTN LCL Emissions and UCO (unit trust bond funds), spread out over time.
  - €6,718k in accrued expenses, of which:
    - €3,590k in rebates on investment fees,
    - €2,292k in operating expenses, of which €1,869k re invoiced by the Resources Department for seconded staff in 2017.
    - €716k in market making fees on structures such as CA Oblig Immo.

**Forward Financial Instruments** the FFI business generated liabilities of €39,894k at 31 December 2017 and was mainly comprised of:

- a value adjustment of €10,684k on FFIs in respect of CVA, versus €16,930k in 2016,
  - a position of €20,528k in options,
  - €1,953k for the valuation of FFIs,
  - €6,729k for hedging positions.
- **Contingency provisions** of €13,731k versus €14,607k in 2016, of which:
    - provisions of €6,294k for the “Testaments obsèques” capital guarantee fund,
    - provisions of €1,818k for recycling funds,
    - provisions of €1,715k for risks associated with guarantees on funds and issuance vehicles,
    - Provisions of €3,820k for commitments given on LODEOM investments in 2013.
- **Subordinated debt** was stable at €100,040k and consisted of the perpetual subordinated loan taken out to increase the fund's capital, and of accrued interest.

Invoices received and invoices issued, due but not yet paid at the reporting date (Table provided for in section I of Article D. 441-4)

(in thousands of euros)	Article D.441 I.-1°: Invoices <u>received</u> , due but not yet paid at the reporting date						Article D.441 I.-2°: Invoices <u>issued</u> , due but not yet paid at the reporting date					
	0 days	1-30 days	31-60 days	61-90 days	> 90 days	Total (≥ 1 day)	0 days	1-30 days	31-60 days	61-90 days	> 90 days	Total (≥ 1 day)
<b>(A) Number of days payment is past due</b>												
Number of invoices						4						6
Total invoice amount with or without tax	56	25				81			1		38	39
Percent of total amount of purchases for the year	0.22%	0.10%				0.32%						
Percent of revenue for the year									0.00%		0.03%	0.03%
<b>(B) Invoiced excluded from (A) pertaining to disputed or unrecognised liabilities and debts</b>												
Number of invoices excluded						0						1
Amount of excluded invoices												3,820
<b>(C) Payment deadlines used</b>												
Payment deadlines used to determine late payment fees	> 30 days						> 30 days					

Changes in equity:

(in thousands of euros)	Share capital	Share premiums, reserves and retained earnings	Interim dividends	Regulated provisions & investment subsidies	Income	Total equity
<b>Balance at 31 December 2016</b>	<b>40,320</b>	<b>546,427</b>	<b>-219,997</b>		<b>136,425</b>	<b>503,175</b>
Dividends paid in respect of 2016						
Change in share capital						
Change in share premiums and reserves						
Appropriation of 2015 parent company net income		-83,572	219,997		-136,425	
Retained earnings						
Net income/loss for 2017					81,536	81,536
Other changes						
<b>Balance at 31 December 2017</b>	<b>40,320</b>	<b>462,855</b>			<b>81,536</b>	<b>584,711</b>

## OFF-BALANCE SHEET AT 31 DECEMBER 2017

At 31 December 2017, the notional amount of FFIs totalled €52,298m versus €44,784m at 31 December 2016.

### Statement of FFIs

Notional amounts in millions of euros	31/12/2017	31/12/2016
FFIs, "Collateral"	40,757	35,784
FFIs, "Notes"	457	512
FFIs, "Notes" with margin	63	105
FFIs, "Asset Swap Forward"	1,147	934
FFIs, "CASA network EMTN"	6,451	4,607
FFIs, "CRELAN network EMTN"	277	351
FFIs, "LCL network EMTN"	2,926	2,453
FFIs, "Other network EMTN"	52	37
FFIs, "AMUNDI FINANCE network EMTN"	12	0
FFIs, "Securities Collateral Hedging"	156	0
<b>TOTAL</b>	<b>52,298</b>	<b>44,784</b>

Guarantee commitments given amounted to €22,490m versus €19,853m at 31 December 2016. This rise was mainly attributable to:

- The increase in guarantee commitments in respect of capital guarantee funds and EMTNs in the amount of €2,637m,

Assets pledged as collateral came to €110m at 31 December 2017, consisting of Securities Collateral pledged to market counterparties in accordance with EMIR.

Assets received as collateral came to €526m at 31 December 2017, consisting of Securities Collateral received from funds and market counterparties in accordance with EMIR.



## DISTRIBUTION OF DIVIDENDS

Distributable income totalled €322,463,965.17, including 2017 income of €81,535,907.33 and retained earnings of €240,928,057.84.

For 2017, a proposal has been made to appropriate 2017 net income to retained earnings in the amount of €81,535,907.33, bringing total retained earnings to €322,463,965.17.

As required by law, the dividends paid on each share for the last three financial years are presented below:

- 2014: no dividend paid to shareholders, net income for the year was taken in full to retained earnings,
- 2015: €75.60 per share,
- 2016: €83.18 per share.

## 2018 DEVELOPMENT OUTLOOK

The trends observed in 2017 are expected to continue in 2018, with AuM in capital guarantee funds set to stabilise.

Covered bond issues should continue at a similar pace as last year at subsidiaries Amundi Finance Emissions, LCL Emissions and Amundi Issuance.

## SUPERVISION OF MARKET RISKS

The organisation, procedures and tools used to monitor risks are set out in the annual report on internal control. Amundi Finance incurs risk from guarantees granted, portfolio management and cash management.

## CHANGES IN THE PRESENTATION OF THE FINANCIAL STATEMENTS

No significant changes have been made to the presentation of the financial statements.

## CONTROL OVER THE COMPANY

### Control over the company at 31 December 2017:

- Amundi Asset Management owned 76.13% of the company's shares,
- Amundi held 23.87%,
- Other shareholders held 0.01%.

## LAST FIVE FINANCIAL YEARS

Type of information	31/12/2013	31/12/2014	31/12/2015	31/12/2016	31/12/2017
Share capital at the end of the period (in EUR)	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
<b>Transactions and net income for the year (in thousands of euros)</b>					
Net banking income	172,121	196,624	233,405	192,495	127,010
Earnings before taxes, depreciation, amortisation and provisions	163,568	188,001	217,822	185,752	117,606
Income tax	-45,476	-53,881	-63,432	-49,327	-37,097
Earnings after taxes, depreciation, amortisation and provisions	118,092	134,120	154,389	136,425	81,536
Allocation of profits	0	0	199,949	219,997	0
<b>Earnings per share (in euros)</b>					
Earnings after taxes, but before depreciation, amortisation and provisions	44.65	50.71	58.37	51.58	30.83
Earnings after taxes, depreciation, amortisation and provisions	44.65	50.71	58.37	51.58	30.83
Dividend per share	0.00	0.00	75.60	83.18	0.00
<b>Employees</b>					
Average number of employees	8	8	8	10	10
Wage bill for the year (in thousands of euros)	1,542	1,915	654	675	749
Amounts paid in respect of employee benefits for the year (social security, company benefits scheme) (in thousands of euros)	835	1,092	281	310	353

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# 02

## Corporate Governance Report

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

## **COMPOSITION OF THE BOARD OF DIRECTORS AT YEAR-END**

### **Chairman of the Board of Directors**

Mr Nicolas CALCOEN

### **Chief Executive Officer**

Mr Pierre BOSIO

### **Deputy Chief Executive Officer**

Mrs Béatrice PAILLOLE

### **Directors**

Mr Fathi JERFEL

AMUNDI ASSET MANAGEMENT,  
represented by Mrs Claire CORNIL

### **Representatives of the Works Committee**

Mrs Christine FAGE

Mr Franck HANNIBAL

### **Statutory auditors**

PRICEWATERHOUSE COOPERS AUDIT  
Represented by Mr Emmanuel BENOIST

ERNST & YOUNG AND OTHERS  
Represented by Mrs Claire ROCHAS

## WORK OF THE BOARD OF DIRECTORS

### During the financial year:

Your Board of Directors met three times during the course of the financial period, and discussed the following matters:

#### **Board of Directors meeting of 28 February 2017**

- Expiry of mandate of a Director: Mr Nicolas CALCOEN.
- Proposal to submit the renewal of Mr Nicolas CALCOEN's mandate as Director to the Ordinary General Meeting.
- Choice of administration method.
- Renewal of Mr Nicolas CALCOEN's mandate as Chairman of the Board, under the suspensive condition of approval of the renewal of his mandate as Director at the next Ordinary General Meeting.
- Confirmation of Mr Pierre BOSIO as General Manager and of Mrs Béatrice PAILLOLE as Deputy General Manager, under the suspensive condition of approval of the renewal of Mr Nicolas CALCOEN's mandate as Director at the next Ordinary General Meeting.
- Confirmation of Management team: Mr Pierre BOSIO and Mrs Béatrice PAILLOLE.
- Termination of co-statutory auditor ERNST & YOUNG ET AUTRES and proposal to submit its renewal to the Ordinary General Meeting.
- Termination of alternate auditor PICARLE & ASSOCIES and proposal to submit its non-renewal to the Ordinary General Meeting, the appointment of an alternate auditor is now only required if the statutory auditor is a natural person or a one-person company (article L.823-1 as amended of the French Commercial Code).
- Report of the Board of Directors, examination and approval of the accounts at 31<sup>st</sup> December 2016.
- Convening of the Ordinary General Meeting.
- Report on Internal Control for the 2016 reporting period.

#### **Board of Directors meeting of 17 May 2017**

- Renewal of bond issue programme.

#### **Board of Directors meeting of 26 July 2017**

- Examination and approval of the half-year accounts of the Company at 30th June 2017.
- Others questions: comparison between men's and women's situations – year 2016.

Since the end of the period:

**Board of Directors meeting of 28 March 2018**

- Expiry of mandate of two Directors
  - Mr Fathi JERFEL.
  - AMUNDI ASSET MANAGEMENT represented par Mrs Claire CORNIL.
- Proposal to submit the renewal of the mandates of Mr Fathi JERFEL and Mrs Claire CORNIL to the Ordinary General Meeting.
- Reports of the Board of Directors, examination and approval of the accounts at 31 December 2017:
  - Management report on the financial statements.
  - Corporate Governance Report.
- Report on Internal Control of the Company for the 2017 reporting period.
- Convening of the Ordinary General Meeting.

**REGULATED AGREEMENTS (ARTICLE L. 225-38 OF THE FRENCH COMMERCIAL CODE)**

During the financial year ended 31 December 2017, no agreement was concluded within the scope of Article L. 225-38 of the French Commercial Code.

**TERMS OF EXERCISE OF THE GENERAL MANAGEMENT (ARTICLE L.225-51-1 OF THE FRENCH COMMERCIAL CODE)**

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.

**DELEGATIONS GRANTED BY THE GENERAL SHAREHOLDERS 'MEETING ON CAPITAL INCREASE (ARTICLES L.225-129-1 AND L. 225-129-2 OF THE FRENCH COMMERCIAL CODE)**

Nil.

**LIST OF MANDATES AND POSITIONS HELD DURING FINANCIAL YEAR 2017 BY THE COMPANY OFFICERS**

**Pierre Bosio**

Company	Position	Represented
AMUNDI FINANCE	Chief Executive Officer and Person "Effectively Running" the company	
AMUNDI FINANCE EMISSIONS	Director and Chief Executive Officer	
LCL EMISSIONS	Director and Chief Executive Officer	
AMUNDI ISSUANCE	Deputy Chief Executive Officer	
LRP	Director	
ANATEC	Censor	

(\*) Mandate expired during the financial year

**Nicolas Calcoen**

Company	Position	Represented
AMUNDI FINANCE	Chairman of the Board of Directors	
AMUNDI VENTURES	Chief Executive Officer	
AMUNDI INTERMEDIATION	Director	
IM SQUARE	Director	
TIKEHAU CAPITAL ADVISORS *	Director	AMUNDI VENTURES
KBI Global Investors Ltd	Director	
AMUNDI GLOBAL SERVICING *	Director	
CPR ASSET MANAGEMENT	Director	AMUNDI
TIKEHAU INVESTMENT MANAGEMENT *	Member of the Supervisory Board	AMUNDI VENTURES

(\*) Mandate expired during the financial year

**Claire Cornil**

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

(\*) Mandate expired during the financial year

**Fathi Jerfel**

Company	Position	Represented
AMUNDI CZECH REPUBLIC, INVESTIČNÍ SPOLEČNOST, A.S. (ACRIS)	Chairman of the Supervisory Board	
AMUNDI PRIVATE EQUITY FUNDS	Chairman of the Board of Directors	
AMUNDI IMMOBILIER	Chairman of the Board of Directors	
AMUNDI SGR S.P.A	Chairman of the Board of Directors	
ETOILE GESTION *	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	
PIONEER INVESTMENT MANAGEMENT SGR P.A (ITALY)	Chairman of the Board of Directors	
AMUNDI ASSET MANAGEMENT	Director and Deputy Chief Executives Officer	
SBI FUNDS MANAGEMENT PRIVATE LTD	Director	
NEXTSTAGE AM	Director	
WAFA GESTION (MAROC)	Director	AMUNDI ASSET MANAGEMENT
AMUNDI FINANCE	Director	
RADIAN	Director	AMUNDI
Amundi Pension Fund	Director	

(\*) Mandate expired during the financial year

**Béatrice Paillole**

Company	Position	Represented
AMUNDI ISSUANCE	Director and Chief Executive Officer.	
AMUNDI FINANCE EMISSIONS	Deputy Chief Executives Officer	
LCL EMISSIONS	Deputy Chief Executives Officer	
AMUNDI FINANCE	Deputy Chief Executives Officer and Person "Effectively Running" the company	

(\*) Mandate expired during the financial year



## DIRECTORS' COMPENSATION

In accordance with the provisions of Article L.225-37-3 of the French Commercial Code, we are required to report on the total compensation (fixed, variable and exceptional items) including the allocation of equity securities, debt securities or other securities giving access to the capital or to the allocation of debt securities and benefits of any nature granted during the course of the past financial period to any Director who holds at least one mandate in a company, the shares of which are admitted to trading on a regulated market.

We are also required to set out the undertakings of any nature made by the Company for the benefit of its Directors holding at least one mandate in a company the securities of which are admitted to trading on a regulated market, corresponding to compensation, indemnities or benefits likely to be due as a result of the taking, the discontinuing or the change in these functions or subsequent thereto, as well as the methods of determining these undertakings.

As such, we inform you that the Company has not granted any compensation, benefits in kind, or attendance fees to its Directors during the year 2017. In addition, no option plan (options for purchase or options for subscription) has been put in place within the Company.

Some Directors hold a mandate in a company, controlled by the Company or that controls it, the securities of which are admitted to trading on a regulated market. However, the compensation they receive from this company is not related to their mandates but to their main activities as employees of the group Amundi and, more broadly, of the group Crédit Agricole SA, the Company's main indirect shareholder. As such, they receive compensation and benefits in accordance with the classification grids in force within the group Crédit Agricole S.A.

In accordance with the policy within the group Crédit Agricole S.A. regarding employees who do not hold corporate mandates in listed companies of the group Crédit Agricole S.A., Amundi does not disclose these compensation and benefits to its subsidiaries.

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# 03

## Financial Statements 2017

**AMUNDI FINANCE  
PARENT COMPANY FINANCIAL STATEMENTS  
AT 31/12/2017**

**Approved by the AMUNDI FINANCE Board of Directors  
on 28/03/2018 and submitted for the  
approval of the Ordinary General Meeting of 17/05/2018**

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**AMUNDI FINANCE**  
**PARENT COMPANY FINANCIAL STATEMENTS AT 31/12/2017**

**BALANCE SHEET AT 31 DECEMBER 2017**

**ASSETS**

(in thousands of euros)	Notes	31/12/2017	31/12/2016
<b>Interbank and similar transactions</b>		<b>384,692</b>	<b>255,433</b>
Cash, central banks			
Treasury bills and similar securities	5	163,172	
Loans and receivables due from credit institutions	3	221,520	255,433
<b>Customer transactions</b>	4		
<b>Securities transactions</b>		<b>652,735</b>	<b>23,471</b>
Bonds and other fixed-income securities	5	652,407	22,756
Equities and other variable-income securities	5	328	715
<b>Fixed assets</b>		<b>275,723</b>	<b>275,730</b>
Participating interests and other long-term securities holdings	6-7		
Investments in subsidiaries and affiliates	6-7	48,299	48,306
Intangible assets	7	227,424	227,424
Property, plant and equipment	7		
<b>Unpaid subscribed capital</b>			
<b>Treasury shares</b>	8		
<b>Accruals, prepayments and sundry assets</b>		<b>1,675,327</b>	<b>1,088,253</b>
Other assets	9	1,602,574	1,032,351
Accruals	9	72,753	55,902
<b>TOTAL ASSETS</b>		<b>2,988,476</b>	<b>1,642,887</b>

## LIABILITIES

(in thousands of euros)	Notes	31/12/2017	31/12/2016
<b>Interbank and similar transactions</b>		<b>460,218</b>	<b>189,221</b>
Central banks			
Due to credit institutions	11	460,218	189,221
<b>Customer deposits</b>	12		
<b>Debt securities</b>	13	<b>12,015</b>	
<b>Accruals, deferred income and sundry liabilities</b>		<b>1,817,761</b>	<b>835,844</b>
Other liabilities	14	1,795,083	803,393
Accruals	14	22,678	32,451
<b>Provisions and subordinated debt</b>		<b>113,771</b>	<b>114,647</b>
Provisions	15-16-17	13,731	14,607
Subordinated debt	19	100,040	100,040
<b>Fund for general banking risks (FGBR)</b>	18		
<b>Equity (excluding FGBR)</b>	20	<b>584,711</b>	<b>503,175</b>
Share 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		240,928	324,500
Income awaiting approval/interim dividends			-219,997
Net income (loss) for the year		81,536	136,425
<b>TOTAL LIABILITIES</b>		<b>2,988,476</b>	<b>1,642,887</b>

## OFF-BALANCE SHEET AT 31 DECEMBER 2017

(in thousands of euros)	Notes	31/12/2017	31/12/2016
<b>COMMITMENTS GIVEN</b>			
Loan commitments	26		
Guarantee commitments	26	22,490,183	19,852,590
Securities commitments	26		

(in thousands of euros)		31/12/2017	31/12/2016
<b>COMMITMENTS RECEIVED</b>			
Loan commitments	26		
Guarantee commitments	26		
Securities commitments	26		

Amundi Finance

## INCOME STATEMENT AT 31 DECEMBER 2017

(in thousands of euros)	Notes	31/12/2017	31/12/2016
Interest and similar income	28-29	5,967	1,909
Interest and similar expenses	28	-10,418	-7,352
Income from variable-income securities	29	10,781	46,773
Fee and commission income	30	86,256	131,649
Fee and commission expenses	30	-21,672	-10,288
Net gains (losses) on trading book	31	56,126	29,122
Net gains (losses) on short-term investment portfolios and similar	32	996	1,847
Other banking income	33		
Other banking expenses	33	-1,026	-1,165
<b>Net banking income</b>		<b>127,010</b>	<b>192,495</b>
Operating expenses	34	-9,404	-9,511
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets			
<b>Gross operating income</b>		<b>117,606</b>	<b>182,984</b>
Cost of risk	35	1,027	2,768
<b>Operating income</b>		<b>118,633</b>	<b>185,752</b>
Net gains (losses) on fixed assets	36		
<b>Pre-tax income on ordinary activities</b>		<b>118,633</b>	<b>185,752</b>
Net extraordinary items			
Income tax charge	37	-37,097	-49,327
Net allocation to FGBR and regulated provisions			
<b>Net income</b>		<b>81,536</b>	<b>136,425</b>

## CASH FLOW STATEMENT AT 31 DECEMBER 2017

(in thousands of euros)	31/12/2017	31/12/2016
<b>Pre-tax income</b>	<b>118,633</b>	<b>185,752</b>
Net depreciation and provisions for property, plant & equipment and intangible assets		
Impairment of goodwill		
Net impairment losses	124	-2,849
Share of net income (loss) of equity-accounted companies		
Net income (loss) from investment activities		
Net income (loss) from financing activities	4,814	4,814
Other movements	-5,111	19,926
<b>Total non-monetary items included in pre-tax income and other adjustments</b>	<b>-173</b>	<b>21,891</b>
Change in interbank items	154,948	3
Change in customer items		
Change in financial assets and liabilities	-765,838	22,567
Change in non-financial assets and liabilities	381,073	-209,073
Dividends received from equity-accounted entities		
Tax paid	-33,799	-71,374
<b>Net decrease/(increase) in assets and liabilities used in operating activities</b>	<b>-263,616</b>	<b>-257,877</b>
<b>TOTAL NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES (A)</b>	<b>-145,156</b>	<b>-50,234</b>
Dividends received from equity-accounted entities	7	42
Change in property, plant and equipment and intangible assets		
<b>TOTAL NET CASH FLOWS FROM (USED BY) INVESTMENT ACTIVITIES (B)</b>	<b>7</b>	<b>42</b>
Cash flow from or intended for shareholders		-219,997
Other net cash flows from financing activities	-4,814	-4,814
<b>TOTAL CASH FLOWS FROM (USED BY) FINANCING ACTIVITIES (C)</b>	<b>-4,814</b>	<b>-224,811</b>
Impact of exchange rate changes and other changes on cash and cash equivalents (D)		
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C+D)</b>	<b>-149,962</b>	<b>-275,003</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>66,214</b>	<b>341,217</b>
Net cash balance and central banks		
Net balance of accounts, demand loans and borrowings with credit institutions	66,214	341,217
<b>Cash and cash equivalents at end of period</b>	<b>-83,749</b>	<b>66,214</b>
Net cash balance and central banks		
Net balance of accounts, demand loans and borrowings with credit institutions	-83,749	66,214
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>-149,962</b>	<b>-275,003</b>



## **NOTE 1 LEGAL AND FINANCIAL BACKGROUND AND SIGNIFICANT EVENTS FOR THE PERIOD**

### **1.1 Legal and financial framework**

Amundi Finance's share capital totalled €40,320,157 at 31 December 2017. It is divided into 2,644,829 shares with a nominal value of €15.24 each.

Since 19 February 2002, Amundi Finance has held an authorisation issued by the CECEI (now the ACPR). Amundi Finance is authorised as a credit institution to provide capital and/or performance guarantees in the area of asset management, specifically for the clients of the Crédit Agricole Group or UCITS which are managed by the latter.

The company is:

- 76.12%-owned by Amundi Asset Management,
- 23.87%-owned by Amundi,
- with the remaining balance owned by other Group companies.

These notes form an integral part of the interim financial statements of Amundi Finance for the period ended 31 December 2017. They are expressed in thousands of euros ("€k").

Before appropriation of earnings, the balance sheet total for these financial statements was €2,988,476k.

Net banking income for these financial statements was €127,010k.

Net income for the period was €81,536k (€81,535,907.33).

### **1.2 Significant events relating to the 2017 reporting period**

In 2017, Amundi Finance launched three issues totalling €12m.

Furthermore, two other subsidiaries dedicated to EMTN activity, Amundi Finance Emissions and LCL Emissions, continued their issuance programmes with the Crédit Agricole network (for Amundi Finance) and the LCL network (for LCL Emissions).

### **1.3 Events after the 2017 reporting period**

None.

## **NOTE 2 ACCOUNTING POLICIES AND PRINCIPLES**

Amundi Finance's financial statements are prepared in accordance with French GAAP applicable to credit institutions, as set forth in ANC Regulation 2014-07 of 26 November 2014.

### **2.1 Loans to credit institutions and customers – signed commitments**

Loans to credit institutions and customers are broken down according to initial term or type of loan: demand loans (current accounts and overnight transactions) and term loans for credit institutions, other loans to customers.

Only debts and loans meeting the following conditions have been offset on the balance sheet: same counterparty, identical due date and currency, same accounting entity, and existence of a letter certifying the merger of the accounts.

Subordinated loans are included under the different loan headings, by type of counterparty (interbank, customer).

Amundi Finance

Accrued interest not yet due on loans is recognised in related accounts receivable and offset on the income statement.

Fee and commission income and expenses are taken to income, based on the type of services with which they are associated.

### Doubtful loans

Loans and receivables of all kinds, even those which are guaranteed, are classified as doubtful if there is a likelihood or certainty of total or partial non-recovery, or in any event if they have been in arrears for more than one year, or if they are under dispute. These loans and receivables are removed from their original account and recognised under "doubtful loans", provisions are deducted from financial assets based on a case-by-case review. Unpaid interest is identified in the accounts and provisions are set aside accordingly.

## **2.2 Securities portfolio**

The rules governing the recognition of securities transactions are defined by Articles 2311-1 to 2391-1 (Title 3, *Comptabilisation des opérations sur titres* [recognition of securities transactions], Book II *Opérations particulières* [special transactions]) as well as Articles 2211-1 to 2251-13 (Title 2, *Traitements comptables du risque de crédit* [accounting treatments of credit risk], Book II *Opérations particulières* [special transactions]) of ANC Regulation 2014-07 of 26 November 2014 for determining credit risk and impairment of fixed-income securities.

These securities are presented in the financial statements according to their asset class: treasury bills (treasury notes and similar securities), bonds and other fixed income securities (negotiable debt securities and interbank market instruments) and equities and other variable-income securities.

Securities are classified under the following categories: trading securities, short-term investment securities, long-term equity holdings, investment securities, other long-term securities, investments in subsidiaries and affiliates.

### **Trading securities**

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

Securities purchased or sold under a specialised business model for managing the trading book, including forward financial instruments, securities or other financial instruments that are managed together are also considered to be trading securities.

Trading securities are recorded on the balance sheet at their purchase price, excluding transaction fees.

They are valued on the basis of their market value on the year-end date.

Resulting net income, along with net income on the sale of securities, is recognised on the income statement under "gains or losses on trading book transactions".

### **Short-term investment securities**

These are securities that are not recognised as trading securities, long-term equity holdings, investment securities, other long-term securities, or investments in subsidiaries and affiliates.

### Bonds and other fixed-income securities

These securities are recognised at purchase price, including accrued interest on acquisition. The difference between the purchase price and redemption price is spread out on an actuarial basis over the remaining life of the securities. Revenues are recorded on the income statement under "Interest and similar income on bonds and other fixed-income securities."

### Equities and other variable-income securities

Shares are recorded on the balance sheet at their purchase price, excluding transaction fees, or at their contribution value. At year-end, they are valued at the lower of their purchase price and their market value. Accordingly, when the net asset value of a line is lower than the carrying amount, the unrealised loss is written down as an impairment loss.

Amundi Finance

Potential capital gains are not recorded.

The cost of sale of investment securities is calculated using the FIFO method. Gains and losses on sales are booked under "gains or losses on investments in subsidiaries and affiliates".

### **Investments in subsidiaries and affiliates, participating interests and other long-term securities holdings**

- Investments in subsidiaries and affiliates are investments in companies that are under exclusive control and that are or are liable to be fully consolidated by a given group eligible for consolidation.
- Participating interests are investments (other than investments in subsidiaries and affiliates), whose long-term ownership is deemed beneficial to the reporting entity, in particular because it allows it to exercise influence or control over the issuer.
- Other long-term securities holdings are securities held with the intention of promoting long-term business relations by creating a special relationship with the issuer, but with no influence over the issuer's management due to the small percentage of voting rights held.

These securities are recognised at purchase price, including transaction fees.

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 historic cost or value in use.

Value in use may be estimated on the basis of various factors such as the issuer's profitability and prospective profitability, its equity, the economic environment, the average share price in the preceding months or the economic value of the share.

When value in use is lower than historic cost, impairment losses are booked for these unrealised losses and are not offset against any unrealised gains.

### **Market price**

The market price at which, if applicable, the different categories of shares are measured, is determined as follows:

- securities traded in an active market are measured at their most recent price, if the market on which the security is traded is not, or is no longer considered to be active, or if the share is not listed, Amundi Finance determines the probable trading value of the security in question by using valuation techniques. Firstly, these techniques refer to recent arm's length transactions. If applicable, Amundi Finance employs standard valuation techniques used by market players to measure these securities, where it has been determined that these techniques produce reliable estimates of prices achieved in real market transactions.

## **2.3 Fixed assets**

Amundi Finance applies ANC Regulation 2014-03 of 5 June 2014 relating to the depreciation, amortisation and impairment of assets.

As a result, Amundi Finance applies component accounting for all of its property, plant and equipment. In accordance with the provisions of this regulation, the depreciable amount takes account of the potential residual value of property, plant and equipment.

In accordance with CRC 2004-06, the acquisition cost of fixed assets includes the purchase price plus any incidental expenses, namely expenses directly or indirectly incurred in connection with commissioning the asset or taken it "to inventory".

Buildings and equipment are measured at cost, less accumulated depreciation and impairment losses since they were commissioned.

Purchased software is measured at cost, less depreciation and impairment losses since the date of purchase.

Proprietary software is measured at cost, less accumulated depreciation and impairment losses since completion. With the exception of software, patents and licenses, intangible fixed assets are not depreciated.

Amundi Finance

If applicable, they may be impaired.

Fixed assets are depreciated over their estimated useful lives.

The following component and depreciation periods were used by Amundi Finance in accordance with the component method of fixed asset accounting. It should be noted that these depreciation periods are determined according to the nature of the construction and its location:

<b>Component</b>	<b>Depreciation period</b>
Technical installations and fixtures	5 years
IT equipment	3 years

When Amundi Asset Management tendered its guarantee business in 2004, Amundi Finance recorded goodwill of €227,424k, which was not subject to impairment.

As of 1 January 2016, ANC Regulation No. 2015-06 amended the provisions of the PCG (French GAAP) pertaining to the accounting rules for fixed assets. The amendments in question notably addressed the definition of goodwill, which is assumed to be non-amortisable, without requiring supporting evidence. This assumption is refutable, however. Goodwill must be tested for impairment once a year, whether or not there is objective evidence of a loss in value.

#### **2.4 Liabilities to credit institutions and customers**

Liabilities to credit institutions and customers are presented in the financial statements according to the initial term or type of debt:

- Demand or term liabilities for institutions,
- Other liabilities for customers (including financial customers).

Accrued interest on these liabilities is recognised under accrued interest and taken to the income statement.

#### **2.5 Debt securities**

Debt securities are presented by type of vehicle: interbank market instruments, negotiable debt securities and bonds, excluding subordinated securities included in liabilities under "Subordinated debt".

Accrued interest not yet due is recognised under accrued interest and taken to the income statement.

#### **2.6 Provisions**

Amundi Finance applies ANC Regulation 2014-03 of 5 June 2014 for the recognition and measurement of provisions.

Provisions include provisions for loan commitments, retirement and early retirement liabilities, litigation and various risks.

All of these risks are assessed on a quarterly basis.

#### **2.7 Derivative transactions**

Off-balance sheet commitments related to these transactions show the notional capital amount of contracts that have not been settled by the reporting date. For options, commitments reflect the nominal capital amount of the underlying instrument.

At 31 December 2017, forward financial commitments totalled €52,297,996k.

Instruments traded on an organised or similar market, or over the counter or included in a trading book are measured at their market value at the reporting date.

All (realised or unrealised) gains and losses are recorded on the income statement under "Net gains (losses) on trading book" for a net amount representing income of €56,125,809.28 at 31 December 2017, including €49,577,481.00 in allowances for funding risks related to the launch of new funds and EMTNs.

Amundi Finance

## Trading

Trading includes:

- isolated open positions (Category "A", Article 2522-1 of ANC Regulation 2014-07);
- specialised trading book business models (Category "D", Article 2522 of ANC Regulation 2014-07);
- instruments that are traded on an organised or similar market, OTC, or included in a trading book - within the meaning of ANC Regulation 2014-07.

These are measured at their market value at the reporting date.

Where instruments are measured at market value, this value is determined:

using available prices, if there is an active market;

using internal valuation methods and models, if there is no active market.

## Hedging transactions

Gains or losses on allocated hedging transactions (Category "B", Article 2522-1 of ANC Regulation 2014-07) are reported as income, with an offsetting entry for income and expenses on the hedged item under the same heading.

Income and expenses on forward financial instruments used for hedging and managing the overall interest-rate exposure of Credit Agricole S.A. (Category "C" Article -2522-1 of ANC Regulation 2014-07) are pro-rated under "Interest and similar income (expenses) – Net income (expense) on macro-hedging transactions." Unrealised gains and losses are not entered.

## Counterparty risk on derivatives

Pursuant to ANC Regulation 2014-07 of 26 November 2014, Amundi Finance includes counterparty risk on derivative assets (Credit Valuation Adjustment or CVA) in the market value of derivatives. As such, only derivatives booked in isolated open positions or in trading books (derivatives classified according to categories A and D of Article 25221 of the aforementioned regulation) measured for CVA.

CVA determines the expected losses on the counterparty from Amundi Finance's viewpoint.

This assessment is based on an estimate of expected losses, factoring in probability of default and loss given default.

This methodology maximises the use of observable data.

It is based on:

- market inputs first and foremost, such as Single Name CDS or Proxy CDS.

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

## **2.8 Foreign currency transactions**

Money-market receivables and payables denominated in foreign currencies are translated into euros using the market exchange rate prevailing at the reporting date or at closest available date prior to the period end.

Income received and expenses paid are recorded at the exchange rate prevailing at the transaction date. Accrued income and expenses not yet paid or received are translated at the closing exchange rate.

For the application of Title 7, *Comptabilisation des opérations en devises* [recognition of foreign currency transactions], Book II *Opérations particulières* [special transactions] of ANC Regulation 2014-07 of 26 November 2014, Amundi Finance has rolled out a multi-currency accounting system so it can track its foreign exchange position.

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## **2.9 Off-balance sheet commitments**

### **Loan commitments**

Loan commitments are irrevocable commitments made by a credit institution to provide cash loans to the beneficiary in accordance with the terms and conditions set out by the contract. Pre-approved loans are recognised once they are accepted by the client.

As Amundi Finance fully meets its obligations in terms of liquidity ratios, it did not use this method of financing in 2017.

### **Guarantee commitments given**

Within the scope of its activity, Amundi Finance provides capital or performance guarantees in favour of Amundi Clients (based on the calculation methods listed below).

At 31 December 2017, these guarantees, as well as directly granted guarantees, amounted to €22,490,183k.

Published off-balance sheet commitments do not include commitments on forward financial instruments or foreign exchange transactions. Similarly, they do not include commitments received on Treasury notes, similar securities and other securities pledged as collateral.

However, these items are detailed in notes 26 and 26.1.

## **2.10 Employee profit-sharing and incentive plans**

Some group companies have formed an Economic and Social Unit (UES) (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 on employee profit-sharing and incentive plans have been signed under this framework.

Employee profit-sharing for this UES is recognised in the income statement in respect of the year in which the employee entitlements were vested. Its cost is included in Employee expenses.

An estimated expense arising from incentive plans is recognised in the income statement under the same heading as employee profit-sharing. Its cost is also included in Employee expenses.

Employees seconded by Crédit Agricole SA work under agreements entered into by their entity's UES. The estimated expense payable for profit-sharing and incentive plans is recognised in the financial statements.

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

Employers contribute to a variety of compulsory pension schemes. Plan assets 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 employees during the year and during prior years.

Consequently, Amundi Finance has no liabilities in this respect, other than contributions payable for the most recent financial year.

The amount contributed in respect of these retirement plans is recorded under "Employee expenses".

## **Retirement, early retirement and end-of-career allowance commitments – defined-benefit plans**

Amundi Finance applies Recommendation 2013-02 of the French Accounting Standards of 7 November 2013 setting forth the rules for recognising and measuring pension obligations and similar benefits. This recommendation was later repealed and included in Section 4 of Chapter II, Book III of ANC Regulation 2014-03 of 5 June 2014.

In accordance with this regulation, Amundi Finance sets aside provisions to cover its retirement and similar benefit obligations falling within the category of defined-benefit plans.

At 31 December 2017, these obligations were measured at €223k, while provisions amounted to €85k.

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The sensitivity analysis showed that:

- a 50 basis point increase in discount rates would reduce the commitment by 7.46%;
- a 50 basis point decrease in discount rates would increase the commitment by 8.28%.

Within Amundi Group, Amundi has taken out an insurance policy with PREDICA to cover end-of-career allowances (IFC), and has signed mandates with UES subsidiaries (including Amundi Finance). This outsourcing of end-of-career allowances is reflected by transferring some of the existing liability provision from the books to the PREDICA policy.

The non-outsourced balance is still recognised as a liability provision.

## **2.12 Income tax expense**

In general, only the current tax liability is recognised in the parent company's financial statements.

The tax expense appearing in the income statement is the income tax due for the reporting period. It includes the consequences of the company's 3.3% income tax contribution.

When tax credits on income from securities portfolios and amounts receivable are effectively used to pay income tax due for the year, they are recognised under the same heading as the income with which they are associated. The corresponding tax expense continues to be recognised under the Income tax expense heading in the income statement.

Amundi Finance has signed a tax consolidation agreement with Amundi. Under this agreement, each company that is consolidated for tax purposes recognises in its financial statements the tax that it would have had to pay if it did were not consolidated for tax purposes.

Given that the legislative intent when introducing the tax credit for competitiveness and employment (*Crédit d'Impôts pour la Compétitivité et l'Emploi* – CICE) was to reduce employee expenses, in 2014 Amundi Finance chose to recognise the CICE (Article 244 quater C of the French General Tax Code – CGI) as a reduction in employee expenses rather than a tax reduction.

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

(in thousands of euros)	31/12/2017						31/12/2016
	< 3 months	> 3 months < 1 year	> 1 year < 5 years	> 5 years	Total principal	Accrued interest	Total
<b>Credit institutions</b>							
Loans and receivables:							
· demand	220,465				220,465		220,465
· term				1,000	1,000	55	1,055
Pledged securities							
Securities bought under repurchase agreements							
Subordinated loans							
<b>Total</b>	<b>220,465</b>			<b>1,000</b>	<b>221,465</b>	<b>55</b>	<b>221,520</b>
<b>Impairment</b>							
<b>NET CARRYING AMOUNT</b>	<b>220,465</b>			<b>1,000</b>	<b>221,465</b>	<b>55</b>	<b>221,520</b>
Current accounts							
Term deposits and loans							
<b>Total</b>							
<b>Impairment</b>							
<b>NET CARRYING AMOUNT</b>							
<b>TOTAL</b>	<b>220,465</b>			<b>1,000</b>	<b>221,465</b>	<b>55</b>	<b>221,520</b>

**NOTE 4 TRANSACTIONS WITH CUSTOMERS**

None



**NOTE 5 TRADING, SHORT-TERM INVESTMENT, LONG-TERM INVESTMENT AND MEDIUM-TERM PORTFOLIO SECURITIES**

In thousands of euros	31/12/2017					31/12/2016
	Trading securities	Short-term investment securities	Medium-term portfolio securities	Long-term investment securities	Total	Total
Treasury bills and similar securities:		162,729			162,729	
· o/w residual net premium		6,729			6,729	
· o/w residual net discount						
Accrued interest		443			443	
Impairment						
<b>Net carrying amount</b>		<b>163,172</b>			<b>163,172</b>	
Bonds and other fixed-income securities:	641,397	11,000			652,397	22,756
Issued by public bodies						
Other issuers	641,397	11,000			652,397	22,756
· o/w residual net premium						
· o/w residual net discount						
Accrued interest		10			10	
Impairment						
<b>Net carrying amount</b>	<b>641,397</b>	<b>11,010</b>			<b>652,407</b>	<b>22,756</b>
Equities and other variable-income securities		331			331	715
Accrued interest						
Impairment		-2			-2	
<b>Net carrying amount</b>		<b>328</b>			<b>328</b>	<b>715</b>
<b>Total</b>	<b>641,397</b>	<b>174,510</b>			<b>815,907</b>	<b>23,471</b>
<b>Estimated values</b>	<b>641,397</b>	<b>174,510</b>			<b>815,907</b>	<b>2,187,719</b>

**NOTE 5.1 TRADING, SHORT-TERM INVESTMENT, LONG-TERM INVESTMENT AND MEDIUM-TERM PORTFOLIO SECURITIES (excluding Treasury bills): BREAKDOWN BY MAJOR CATEGORY OF COUNTERPARTY**

In thousands of euros	Net outstandings at 31/12/2017	Net outstandings at 31/12/2016
Governments and central banks (including central governments)		
Credit institutions	27,217	11,454
Financial institutions	625,510	12,017
Local authorities		
Corporates, insurers and other customers		
Other and non-allocated		
<b>Total principal</b>	<b>652,727</b>	<b>23,471</b>
Accrued interest	10	
Impairment	-2	
<b>Net carrying amount</b>	<b>652,735</b>	<b>23,471</b>

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**NOTE 5.2 BREAKDOWN OF LISTED AND UNLISTED SECURITIES BETWEEN FIXED AND VARIABLE INCOME SECURITIES**

(in thousands of euros)	31/12/2017				31/12/2016			
	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	631,530	162,729		794,259	14,188			14,188
Unlisted securities	20,866		331	21,197	8,569		715	9,284
Accrued interest	10	443		453				
Impairment			-2	-2				
<b>Net carrying amount</b>	<b>652,407</b>	<b>163,172</b>	<b>328</b>	<b>815,907</b>	<b>22,756</b>		<b>715</b>	<b>23,471</b>

The breakdown of all UCITS by type at 31 December 2017 was as follows:

In thousands of euros	Carrying amount	Cash-in value
Money-market UCITS		
Bond UCITS		
Equity UCITS		
Other UCITS	328	328
<b>TOTAL</b>	<b>328</b>	<b>328</b>

**NOTE 5.3 TREASURY BILLS, BONDS AND OTHER FIXED INCOME SECURITIES: BREAKDOWN BY REMAINING MATURITY**

In thousands of euros	31/12/2017							31/12/2016
	< 3 months	> 3 months < 1 year	> 1 year < 5 years	> 5 years	Total en principal	Accrued interest	Total	Total
Bonds and other fixed-income securities								
Gross amount		1,066	9,085	642,246	652,397	10	652,407	22,756
Impairment								
<b>Net carrying amount</b>		<b>1,066</b>	<b>9,085</b>	<b>642,246</b>	<b>652,397</b>	<b>10</b>	<b>652,407</b>	<b>22,756</b>
Treasury bills and similar securities								
Gross amount			93,930	68,799	162,729	443	163,172	
Impairment								
<b>Net carrying amount</b>			<b>93,930</b>	<b>68,799</b>	<b>162,729</b>	<b>443</b>	<b>163,172</b>	

**NOTE 5.4 TREASURY BILLS, BONDS AND OTHER FIXED INCOME SECURITIES: BREAKDOWN BY GEOGRAPHIC REGION**

In thousands of euros	Net outstandings 31/12/2017	Net outstandings 31/12/2016
France (including overseas departments and territories)	811,992	20,581
Other EU countries	3,134	2,176
Rest of Europe		
North America		
Central and South America		
Africa and Middle East		
Asia-Pacific (ex-Japan)		
Japan		
<b>Total principal</b>	<b>815,126</b>	<b>22,756</b>
Accrued interest	453	
Impairment		
<b>NET CARRYING AMOUNT</b>	<b>815,579</b>	<b>22,756</b>

**NOTE 6 PARTICIPATING INTERESTS AND SUBSIDIARIES**

(in thousands of euros)

Company	Financial information			Carrying amounts of securities held		Loans and receivables granted by the Company and not yet repaid	Guarantees and other commitments given by the company	NBI or revenue (ex VAT) for the year ended	Net income (profit or loss for the year ended)	Dividends received by the company during the financial year
	Currency	Share capital	Equity other than share capital	Percentage of share capital owned (in %)	Gross amount					
<b>Investments whose carrying amount exceeds 1% of the company's share capital</b>										
<b>1) Investments in banking subsidiaries and affiliates (more than 50% owned)</b>										
<b>2) Investments in banking associates (10% to 50% owned)</b>										
<b>3) Investments in other subsidiaries and affiliates (more than 50% owned)</b>										
AMUNDI TENUE DE COMPTES	EUR	24,000	25,475	100.00%	34,167	34,167		43,602	7,310	5,664
AMUNDI INTERMEDIATION	EUR	14,604	49,130	38.53%	5,628	5,628		164,006	87,396	5,552
<b>4) Other participating interests (10% to 50% owned)</b>										
<b>Investments whose carrying amount is less than 1% of Amundi Finance's share capital</b>										
	EUR				8,724	8,504				
<b>TOTAL SUBSIDIARIES AND ASSOCIATES</b>					<b>48,519</b>	<b>48,299</b>				

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Notes to the parent company financial statements - 31 December 2017

## NOTE 6.1 ESTIMATED VALUE OF PARTICIPATING INTERESTS

<i>(in thousands of euros)</i>	31/12/2017		31/12/2016	
	Net carrying amount	Estimated value	Net carrying amount	Estimated value
<b>Investments in subsidiaries and affiliates</b>				
· Unlisted securities	48,519	48,299	48,519	48,306
· Listed securities				
· Advances available for consolidation				
· Accrued interest				
· Impairment	-220		-213	
<b>Net carrying amount</b>	<b>48,299</b>	<b>48,299</b>	<b>48,306</b>	<b>48,306</b>
<b>Participating interests and other long-term securities holdings</b>				
<b>Participating interests</b>				
· Unlisted securities				
· Listed securities				
· Advances available for consolidation				
· Accrued interest				
· Impairment				
<b>Subtotal - Participating interests</b>				
<b>Other long-term securities holdings</b>				
· Unlisted securities				
· Listed securities				
· Advances available for consolidation				
· Accrued interest				
· Impairment				
<b>Subtotal - Other long-term securities holdings</b>				
<b>Net carrying amount</b>				
<b>Total – Participating interests</b>	<b>48,299</b>	<b>48,299</b>	<b>48,306</b>	<b>48,306</b>

<i>(in thousands of euros)</i>	31/12/2017		31/12/2016	
	Net carrying amount	Estimated value	Net carrying amount	Estimated value
<b>TOTAL GROSS AMOUNT</b>				
Unlisted securities	48,519	48,299	48,519	48,306
Listed securities				
<b>TOTAL</b>	<b>48,519</b>	<b>48,299</b>	<b>48,519</b>	<b>48,306</b>

## NOTE 7 MOVEMENTS IN FIXED ASSETS

### NOTE 7.1 Financial investments

(in thousands of euros)	01/01/2017	Increases (acquisitions)	Decreases (disposals, due date)	Other movements	31/12/2017
<b>Investments in subsidiaries and affiliates</b>					
Gross amount	48,519				48,519
Advances available for consolidation					
Accrued interest					
Impairment	-213		-7		-220
<b>NET CARRYING AMOUNT</b>	<b>48,306</b>		<b>-7</b>		<b>48,299</b>
<b>Participating interests</b>					
Gross amount					
Advances available for consolidation					
Accrued interest					
Impairment					
<b>Other long-term securities holdings</b>					
Gross amount					
Advances available for consolidation					
Accrued interest					
Impairment					
<b>NET CARRYING AMOUNT</b>					
<b>TOTAL</b>	<b>48,306</b>		<b>-7</b>		<b>48,299</b>

### NOTE 7.2 Intangible assets and property, plant & equipment

(in thousands of euros)	01/01/2017	Increases (acquisitions)	Decreases (disposals, due date)	Other movements	31/12/2017
<b>Property, plant and equipment</b>					
Gross amount					
Depreciation and impairment					
<b>NET CARRYING AMOUNT</b>					
<b>Intangible assets</b>					
Gross amount	227,424				227,424
Amortisation and impairment					
<b>NET CARRYING AMOUNT</b>	<b>227,424</b>				<b>227,424</b>
<b>TOTAL</b>	<b>227,424</b>				<b>227,424</b>

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## NOTE 8 TREASURY SHARES

None

## NOTE 9 ACCRUALS, PREPAYMENTS AND SUNDRY ASSETS

(in thousands of euros)	31/12/2017	31/12/2016
<b>Other assets (1)</b>		
Financial options bought	674,412	
Inventory accounts and miscellaneous		
Miscellaneous debtors (2)	928,162	1,032,351
Collective management of Livret de Développement Durable (LDD) savings account securities		
Accruals		
<b>Net carrying amount</b>	<b>1,602,574</b>	<b>1,032,351</b>
<b>Accruals and prepayments</b>		
Items in course of transmission		
Adjustment accounts		
Unrealised losses and deferred losses on financial instruments		
Accrued income for commitments on forward financial instruments		
Other accrued income	59,137	55,901
Prepaid expenses		1
Deferred charges	-6,729	
Other accruals	20,344	
<b>Net carrying amount</b>	<b>72,753</b>	<b>55,902</b>
<b>Total</b>	<b>1,675,327</b>	<b>1,088,253</b>

(1) amounts including accrued interest.

(2) including €426m contributed to the Resolution Fund and paid in the form of a security deposit. This security deposit can be used unconditionally by the Resolution Fund at any time to finance a resolution.

Sundry assets primarily consist of security deposits paid as part of the collateral business (€853,821k), corporation tax instalments (€48,583k), trade receivables (€3,572k), options purchased (€674,412k) and accrued interest (€21,758k).

Other accrued income is related to the guarantee business.

## NOTE 10 IMPAIRMENT LOSSES DEDUCTED FROM ASSETS

(in thousands of euros)	Balance at 31/12/2016	Impairment charges	Reversals and uses	Accretion	Other movements	Balance at 31/12/2017
Cash, money market and interbank items						
Loans and receivables due from customers						
Securities transactions	213	9				222
Fixed assets						
Other assets						
<b>Total</b>	<b>213</b>	<b>9</b>				<b>222</b>

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**NOTE 11 LOANS AND RECEIVABLES DUE TO CREDIT INSTITUTIONS – BREAKDOWN BY REMAINING MATURITY**

(in thousands of euros)	31/12/2017							31/12/2016
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	Total
<b>Credit institutions</b>								
Accounts and borrowings:								
· demand	304,214				304,214	4	304,218	189,221
· term	40,000	116,000			156,000		156,000	
Pledged securities								
Securities sold under repurchase agreements								
<b>NET CARRYING AMOUNT</b>	<b>344,214</b>	<b>116,000</b>			<b>460,214</b>	<b>4</b>	<b>460,218</b>	<b>189,221</b>

**NOTE 12 CUSTOMER DEPOSITS**

None

**NOTE 13 DEBT SECURITIES**

**Note 13.1 Debt securities – Breakdown by remaining maturity**

(in thousands of euros)	31/12/2017							31/12/2016
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total	total
Savings bonds								
Interbank market securities								
Negotiable debt securities				12,000	12,000	15	12,015	
Bonds								
Other debt securities								
<b>NET CARRYING AMOUNT</b>				<b>12,000</b>	<b>12,000</b>	<b>15</b>	<b>12,015</b>	

## NOTE 14 ACCRUALS, DEFERRED INCOME AND SUNDRY LIABILITIES

(in thousands of euros)	31/12/2017	31/12/2016
<b>Other liabilities (1)</b>		
Counterparty transactions (trading securities)		
Liabilities relating to stock lending transactions		
Financial options sold	717,237	
Settlement and trading accounts	-2,325	
Miscellaneous creditors	1,080,172	803,393
Payments in process on securities		
<b>Net carrying amount</b>	<b>1,795,083</b>	<b>803,393</b>
<b>Accruals</b>		
- Items in course of transmission		
- Adjustment accounts		
- Unrealised gains and deferred gains on financial instruments		
- Unearned income	5,275	5,550
- Accrued expenses for commitments on forward financial instruments	10,684	18,582
- Other accrued expenses	6,718	8,319
- Other accruals		
<b>Net carrying amount</b>	<b>22,678</b>	<b>32,451</b>
<b>TOTAL</b>	<b>1,817,761</b>	<b>835,844</b>

(1) amounts include accrued interest.

Sundry liabilities primarily consist of security deposits received as part of the collateral business (€1,040,813k), options sold (€717,237k) and corporate income tax charges (€37,898k), with the remainder being made up of other liabilities.

## NOTE 15 PROVISIONS

In thousands of euros	Balance at 01/01/2017	Provisions	Reversals, amounts used	Reversals, amounts not used	Other movements	Balance at 31/12/2017
<b>Provisions</b>						
Employee retirement and similar benefits	74	11				85
Other liabilities to employees						
Loan commitment execution risks	3,101	526		-1,235	-678	1,715
Tax disputes						
Other litigation						
Country risk						
Credit risk						
Restructuring						
Income tax charge	1,000			-1,000		
Participating interests						
Operational risk						
Other provisions	10,432	3,106	-2,232	-52	678	11,932
<b>NET CARRYING AMOUNT</b>	<b>14,607</b>	<b>3,643</b>	<b>-2,232</b>	<b>-2,287</b>		<b>13,731</b>

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## NOTE 16 HOME OWNERSHIP SAVINGS PLAN

None

## NOTE 17 LIABILITIES TO EMPLOYEES – POST-EMPLOYMENT BENEFITS, DEFINED-BENEFIT PLANS

### Change in actuarial liability

(in thousands of euros)

	31/12/2017	31/12/2016
<b>Actuarial liability at 31/12/N-1</b>	<b>213</b>	<b>188</b>
Service cost	11	10
Impact of discounting	3	3
Employee contributions		
Benefit plan changes, curtailments and settlements		
Changes in scope		
Early retirement allowances		
Benefits paid		
Actuarial (gains)/losses	-3	12
<b>Actuarial liability at 31/12/N</b>	<b>224</b>	<b>213</b>

### Change in fair value of plan assets

(in thousands of euros)

	31/12/2017	31/12/2016
<b>Fair value of assets/entitlements at 31/12/N-1</b>	<b>139</b>	<b>130</b>
Expected return on assets	2	2
Actuarial gains/losses	-2	7
Employer contributions		
Employee contributions		
Benefit plan changes, curtailments and settlements		
Changes in scope		
Early retirement allowances		
Benefits paid out under the benefit plan		
<b>Fair value of assets/entitlements at 31/12/N-1</b>	<b>139</b>	<b>139</b>

### Breakdown of net charge recognised in the income statement

(in thousands of euros)

	31/12/2017	31/12/2016
<b>Net charge recognised in income statement</b>	<b>12</b>	<b>11</b>
Service cost	11	10
Financial cost	3	3
Expected return on assets over the period	-2	-2
Amortisation of prior service cost		
Other gains or losses		

### Net position

(in thousands of euros)

	31/12/2017	31/12/2016
<b>Actuarial liability at 31/12/N</b>	<b>224</b>	<b>213</b>
Impact of asset restriction		
Fair value of assets at end of period	-139	-139
<b>Net position (liabilities)/assets at 31/12/N</b>	<b>-85</b>	<b>-74</b>

## NOTE 18 FUND FOR GENERAL BANKING RISKS

None

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## NOTE 19 SUBORDINATED DEBT - BREAKDOWN BY REMAINING MATURITY

(in thousands of euros)	31/12/2017						31/12/2016
	< 3 months	> 3 months < 1 year	> 1 year < 5 years	> 5 years	Total principal	Accrued interest	Total
<b>Fixed-term subordinated debt</b>							
Euro							
Dollar							
<b>Participating interests and loans</b>							
<b>Other fixed-term subordinated loans</b>							
<b>Perpetual subordinated debt (1)</b>				100,000	100,000	40	100,040
<b>Frozen current accounts of Local Banks</b>							
<b>Mutual security deposits</b>							
<b>CARRYING AMOUNT</b>				<b>100,000</b>	<b>100,000</b>	<b>40</b>	<b>100,040</b>

(1) Remaining maturity of perpetual subordinated debt classified by default in > 5 years

Expenses related to subordinated debt totalled €4,814k at 31 December 2017.

## NOTE 20 STATEMENT OF CHANGES IN EQUITY

(in thousands of euros)	Share capital	Share premiums, reserves and retained earnings	Interim dividends	Regulated provisions & investment subsidies	Income	Total equity
<b>Balance at 31 December 2016</b>	<b>40,320</b>	<b>546,427</b>	<b>-219,997</b>		<b>136,425</b>	<b>503,175</b>
Dividends paid in respect of 2016						
Change in share capital						
Change in share premiums and reserves						
Appropriation of 2015 parent company net income		-83,572	219,997		-136,425	
Retained earnings						
Net income/loss for 2017					81,536	81,536
Other changes						
<b>Balance at 31 December 2017</b>	<b>40,320</b>	<b>462,855</b>			<b>81,536</b>	<b>584,711</b>

## NOTE 21 COMPOSITION OF CAPITAL

(in thousands of euros)	31/12/2017	31/12/2016
Equity	584,711	503,175
Fund for general banking risk		
Subordinated debt and participating interests	100,040	100,040
Mutual collateral deposits		
<b>TOTAL EQUITY</b>	<b>684,751</b>	<b>603,215</b>

Amundi Finance

## NOTE 22 TRANSACTIONS WITH SUBSIDIARIES AND AFFILIATES, AND PARTICIPATING INTERESTS

(in thousands of euros)	Balance at 31 December 2017 Transactions with subsidiaries and affiliates, and participating interests	Balance at 31 December 2016 Transactions with subsidiaries and affiliates, and participating interests
<b>Loans and receivables</b>	<b>873,927</b>	<b>278,190</b>
Credit and other financial institutions	221,520	255,433
Customers		
Bonds and other fixed-income securities	652,407	22,756
<b>Debt</b>	<b>560,044</b>	<b>289,260</b>
Credit and other financial institutions	460,004	189,220
Customers		
Debt securities and subordinated debt	100,040	100,040
<b>Commitments given</b>	<b>5,915,258</b>	<b>3,828,155</b>
Loan commitments to credit institutions		
Loan commitments to customers		
Guarantees given to credit institutions		
Guarantees given to customers	5,915,258	3,828,155
Securities purchased under resale agreements		
Other commitments given		

## NOTE 23 FOREIGN CURRENCY DENOMINATED TRANSACTIONS

(in thousands of euros)	31/12/2017		31/12/2016	
	Assets	Equity and liabilities	Assets	Equity and liabilities
Euro	2,988,476	2,988,476	1,642,887	1,642,887
Other European Union currencies				
Swiss franc				
US dollar				
Yen				
Other currencies				
<b>Total</b>	<b>2,988,476</b>	<b>2,988,476</b>	<b>1,642,887</b>	<b>1,642,887</b>

## NOTE 24 FOREIGN EXCHANGE TRANSACTIONS, FOREIGN CURRENCY BORROWINGS AND LOANS

None

## NOTE 25 TRANSACTIONS IN FORWARD FINANCIAL INSTRUMENTS

	31/12/2017			31/12/2016
	Hedging transactions	Other	Total	Total
(in thousands of euros)				
<b>Outright transactions</b>	<b>156,000</b>	<b>45,144,516</b>	<b>45,300,516</b>	<b>44,783,926</b>
<b>Exchange-traded (1)</b>				
Interest rate futures				
Currency forwards				
Equity and stock index futures				
Other futures				
<b>Over-the-counter (1)</b>	<b>156,000</b>	<b>45,144,516</b>	<b>45,300,516</b>	<b>44,783,926</b>
Interest rate swaps	156,000	3,497,586	3,653,586	3,028,341
Other interest rate futures				
Currency futures				
FRAs				
Equity and stock index futures		41,646,930	41,646,930	41,755,585
Other futures				
<b>Options</b>		<b>6,997,480</b>	<b>6,997,480</b>	
<b>Exchange-traded</b>				
Interest rate options				
* Bought				
* Sold				
Equity and stock index options				
* Bought				
* Sold				
Currency options				
* Bought				
* Sold				
<b>Over-the-counter</b>		<b>6,997,480</b>	<b>6,997,480</b>	
Interest rate swaptions				
* Bought				
* Sold				
Other interest rate options				
* Bought				
* Sold				
Currency options				
* Bought				
* Sold				
Equity and stock index options				
* Bought		4,218,740	4,218,740	
* Sold		2,778,740	2,778,740	
Other futures				
* Bought				
* Sold				
<b>Credit derivatives</b>				
Credit derivative contracts				
* Bought				
* Sold				
<b>TOTAL</b>	<b>156,000</b>	<b>52,141,996</b>	<b>52,297,996</b>	<b>44,783,926</b>

(1): The amounts indicated for outright transactions must match the total of the lending and borrowing positions (interest rate swaps and interest rate swap options), or the total of contracts purchased and sold (other contracts)

**NOTE 25.1 TRANSACTIONS IN FORWARD FINANCIAL INSTRUMENTS: BREAKDOWN BY REMAINING MATURITY**

(in thousands of euros)	Total at 31/12/2017			o/w over-the-counter			o/w exchange traded and equivalent		
	< 1 year	> 1 year < 5 years	> 5 years	< 1 year	> 1 year < 5 years	> 5 years	< 1 year	> 1 year < 5 years	> 5 years
Futures									
Currency options									
Interest rate options									
Currency futures									
FRA's									
Interest rate swaps	361,200	1,075,275	2,217,111	361,200	1,075,275	2,217,111			
Currency swaps									
Caps, Floors, Collars									
Interest rate forwards									
Equity and index futures and forwards	425,460	23,378,427	17,843,043	425,460	23,378,427	17,843,043			
Equity and index options		1,500,800	5,496,680		1,500,800	5,496,680			
Equity, equity index									
<b>Subtotal</b>	<b>786,660</b>	<b>25,954,502</b>	<b>25,556,834</b>	<b>786,660</b>	<b>25,954,502</b>	<b>25,556,834</b>			
Forward foreign exchange transactions									
<b>Grand total</b>	<b>786,660</b>	<b>25,954,502</b>	<b>25,556,834</b>	<b>786,660</b>	<b>25,954,502</b>	<b>25,556,834</b>			

**NOTE 25.2 FORWARD FINANCIAL INSTRUMENTS: FAIR VALUE**

(in thousands of euros)	31/12/2017		31/12/2016	
	Fair value	Outstanding notional amount	Fair value	Outstanding notional amount
Futures				
Currency options				
Currency futures				
FRA's				
Interest rate swaps	-595	3,653,586	-188	3,028,341
Currency swaps				
Caps, Floors, Collars				
Equity, equity index and precious metals derivatives	-21,885	48,644,410	-1,464	41,755,585
<b>Subtotal</b>	<b>-22,480</b>	<b>52,297,996</b>	<b>-1,652</b>	<b>44,783,926</b>
Forward currency transactions				
<b>TOTAL</b>	<b>-22,480</b>	<b>52,297,996</b>	<b>-1,652</b>	<b>44,783,926</b>

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Notes to the parent company financial statements - 31 December 2017

**NOTE 25.3 BREAKDOWN OF INTEREST RATE SWAPS**

(in thousands of euros)

CURRENCY AND INTEREST RATE SWAPS	Isolated open position	Micro-hedging	Macro-hedging	Transaction swaps
Interest rate swaps		156,000		3,497,586
Similar contracts (1)				

(1) These are similar contracts as defined by article 1 of CRBF Regulation 90.15.

**NOTE 26 LOAN AND GUARANTEE COMMITMENTS AND OTHER GUARANTEES**

(in thousands of euros)	31/12/2017	31/12/2016
<b>COMMITMENTS GIVEN</b>	<b>22,490,183</b>	<b>19,852,590</b>
<b>Loan commitments</b>		
Commitments given to credit institutions		
Commitments given to customers		
- Confirmed credit lines		
Documentary credits		
Other confirmed credit lines		
- Other commitments given to customers		
<b>Guarantee commitments</b>	<b>22,490,183</b>	<b>19,852,590</b>
Credit institutions		
- Confirmed documentary credit lines		
- Other		
Customers	22,490,183	19,852,590
- Property guarantees		
- Financial guarantees		
- Other customer guarantees	22,490,183	19,852,590
<b>Securities commitments</b>		
. Securities purchased under resale agreements		
. Other commitments to be given		
<b>COMMITMENTS RECEIVED</b>		
<b>Loan commitments</b>		
Commitments received from credit institutions		
Commitments received from customers		
<b>Guarantee commitments</b>		
Commitments received from credit institutions		
Commitments received from customers		
<b>Securities commitments</b>		
Securities sold under repurchase agreements		
Other commitments received		

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## NOTE 26.1 ASSETS PLEDGED AND RECEIVED AS COLLATERAL

Pursuant to the European Market and Infrastructure Regulation (EMIR), applicable to all financial counterparties (credit institutions, insurance companies, asset management companies, etc.) and non-financial counterparties that perform OTC derivative transactions, Amundi Finance records the following amounts related to its activity:

- securities received from counterparties as collateral in the amount of €525,778k;
- securities pledged to counterparties as collateral in the amount of €109,743k.

## NOTE 27 COUNTERPARTY RISK ON DERIVATIVE PRODUCTS

Management of counterparty risk (businesses, banks, institutions) is based on:

- a structure divided into specialised units and business lines that report to General Management.
- internal procedures establishing the rules for risk-taking and monitoring risk, which apply to various stakeholders in the entity. This principle of setting a limit on commitments is applied to all types of counterparties: businesses, banks, financial institutions, and government-related or state entities. Similarly, the assumption of risk on counterparties controlled or established in a non-OECD country is capped on a country-by-country basis (all transactions and operations combined). These “country limits” are periodically revised.
- risk measurement methods. As a result, each counterparty has a maximum for commitments that includes all transactions.

An entity's exposure to counterparty risk on forward instruments and options in interest rates, currencies, commodities and precious metals may be measured at the market value of these instruments and by the potential credit risk arising from the application of regulatory add-ons, depending on the remaining maturity and the type of contract.

### Breakdown of counterparty risk on forward financial instruments

	31/12/2017			31/12/2016		
	Market value	Potential credit risk	Total counterparty risk	Market value	Potential credit risk	Total counterparty risk
(in thousands of euros)						
Exposure to OECD governments, central banks, and similar organisations						
Exposure to OECD financial institutions and similar organisations	1,827,419	10,684	1,816,734	1,314,208	16,918	1,297,290
Exposure to other counterparties						
<b>Total before impact of netting agreements</b>	<b>1,827,419</b>	<b>10,684</b>	<b>1,816,734</b>	<b>1,314,208</b>	<b>16,918</b>	<b>1,297,290</b>
<b>Exposure to:</b>						
Interest rate, exchange rate and commodities contracts	142,701		142,701	152,276		152,276
Equity and index derivative contracts	1,684,718		1,684,718	1,161,932		1,161,932
<b>Total before impact of netting agreements</b>	<b>1,827,419</b>		<b>1,827,419</b>	<b>1,314,208</b>		<b>1,314,208</b>
<b>Impact of netting agreements</b>	<b>1,038,981</b>		<b>1,038,981</b>	<b>741,411</b>		<b>741,411</b>
<b>Total after impact of netting agreements</b>	<b>788,438</b>	<b>10,684</b>	<b>777,753</b>	<b>572,797</b>	<b>16,918</b>	<b>555,879</b>

## NOTE 28 NET INTEREST AND SIMILAR INCOME

(in thousands of euros)	31/12/2017	31/12/2016
Interbank transactions	3,614	1,751
Customer transactions	1	
Bonds and other fixed-income securities	24	
Net gains on macro-hedging transactions		
Other interest and similar income	137	158
<b>Interest and similar income</b>	<b>3,776</b>	<b>1,909</b>
Interbank transactions	-5,594	-5,269
Customer transactions	-2,246	-2,079
Net losses on macro-hedging transactions	-283	
Bonds and other fixed-income securities	-32	
Other interest and similar expenses	-71	-4
<b>Interest and similar expenses</b>	<b>-8,226</b>	<b>-7,352</b>
<b>Net interest and similar income</b>	<b>-4,451</b>	<b>-5,443</b>

## NOTE 29 INCOME FROM SECURITIES

(in thousands of euros)	31/12/2017	31/12/2016
Short-term investment securities Livret de Développement Durable (LDD) savings account securities		
Long-term investment securities		
Other securities transactions		
<b>Income from fixed-income securities</b>		
Investments in subsidiaries and affiliates, participating interests and other long-term securities holdings	10,781	46,773
Short-term investment securities and medium-term portfolio securities		
Other securities transactions		
<b>Income from variable-income securities</b>	<b>10,781</b>	<b>46,773</b>
<b>TOTAL INCOME FROM SECURITIES</b>	<b>10,781</b>	<b>46,773</b>



**NOTE 30 NET FEE AND COMMISSION INCOME**

(in thousands of euros)	31/12/2017			31/12/2016		
	Income	Expense	Net	Income	Expense	Net
Interbank transactions						
Customer transactions						
Securities transactions	17,026	-15,681	1,346	11,224	-9,433	1,791
Forward financial instruments and other off-balance sheet transactions	67,264	-2,886	64,378	120,425	-855	119,570
Financial services						
Provision for fee and commission risks	1,966	-3,106	-1,140			
<b>TOTAL NET FEE AND COMMISSION INCOME</b>	<b>86,256</b>	<b>-21,672</b>	<b>64,584</b>	<b>131,649</b>	<b>-10,288</b>	<b>121,361</b>

**NOTE 31 NET GAINS (LOSSES) ON TRADING BOOK**

(in thousands of euros)	31/12/2017	31/12/2016
Gains (losses) on trading securities	3,470	2,142
Gains (losses) on currency transactions and similar financial instruments		
Gains (losses) on other forward financial instrument transactions	52,656	26,980
<b>NET GAINS (LOSSES) ON TRADING BOOK</b>	<b>56,126</b>	<b>29,122</b>

**NOTE 32 NET GAINS (LOSSES) ON SHORT TERM INVESTMENT PORTFOLIOS AND SIMILAR**

(in thousands of euros)	31/12/2017	31/12/2016
Short-term investment securities		
Impairment losses	-9	-42
Reversals of impairment losses		46
Net losses/reversals	-9	4
Gains on disposals	1,006	1,843
Losses on disposals		
Net gains (losses) on disposals	1,006	1,843
<b>Net gains (losses) on short-term investment securities</b>	<b>996</b>	<b>1,847</b>
Medium-term portfolio securities		
Impairment losses		
Reversals of impairment losses		
Net losses/reversals		
Gains on disposals		
Losses on disposals		
Net gains (losses) on disposals		
<b>Net gains (losses) on medium-term portfolio securities</b>		
<b>GAINS (LOSSES) ON MEDIUM-TERM PORTFOLIO AND SIMILAR TRANSACTIONS</b>	<b>996</b>	<b>1,847</b>

**NOTE 33 OTHER BANKING INCOME AND EXPENSES**

(in thousands of euros)	31/12/2017	31/12/2016
Other income		
Share of joint ventures		
Charge-backs and expense reclassifications		
Reversals of provisions		
<b>Other banking income</b>		
Other expenses		
Share of joint ventures		
Charge-backs and expense reclassifications	-1,026	-1,165
Transfers to provisions		
<b>Other banking expenses</b>	<b>-1,026</b>	<b>-1,165</b>
<b>OTHER BANKING INCOME AND EXPENSES</b>	<b>-1,026</b>	<b>-1,165</b>

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## NOTE 34 OPERATING EXPENSES

(in thousands of euros)	31/12/2017	31/12/2016
<b>Employee expenses</b>		
Salaries	-760	-690
Benefits	-353	-310
Profit-sharing and incentive plans	-64	-112
Payroll-related tax	-127	-117
<b>Total employee expenses</b>	<b>-1,304</b>	<b>-1,229</b>
Charge-backs and reclassification of employee expenses		
<b>Net employee expenses</b>	<b>-1,304</b>	<b>-1,229</b>
<b>Administrative expenses</b>		
Taxes other than on income or payroll-related (1)	-3,179	-4,126
External services and other administrative expenses	-4,921	-4,155
<b>Total administrative expenses</b>	<b>-8,100</b>	<b>-8,282</b>
Charge-backs and reclassification of administrative expenses		
<b>Net administrative expenses</b>	<b>-8,100</b>	<b>-8,282</b>
<b>OPERATING EXPENSES</b>	<b>-9,404</b>	<b>-9,511</b>

(1) of which €685k for the resolution fund.

## NOTE 34.1 HEADCOUNT

(average number of employees)	31/12/2017	31/12/2016
Managers	10	10
Non-managers		
<b>TOTAL</b>	<b>10</b>	<b>10</b>
<i>o/w located in: France</i>	<i>10</i>	<i>10</i>
<i>Worldwide</i>		
<i>Staff on secondment</i>		

**NOTE 35 COST OF RISK**

(in thousands of euros)	31/12/2017	31/12/2016
<b>Provisions for depreciation, amortisation and impairment</b>	<b>-526</b>	<b>-1,900</b>
Impairment of doubtful loans and receivables		
Other provisions and impairment losses	-526	-1,900
<b>Reversals of provisions and impairment losses</b>	<b>1,553</b>	<b>4,765</b>
Reversal of impairment losses on doubtful loans and receivables		
Other reversals of provisions and impairment losses	1,553	4,765
<b>Change in provisions and impairment</b>	<b>1,027</b>	<b>2,864</b>
Losses from non-impaired irrecoverable loans		
Losses on impaired irrecoverable loans		-97
Discounts on restructured loans		
Recoveries on written-off loans		
Other losses		
Other income		
<b>COST OF RISK</b>	<b>1,027</b>	<b>2,768</b>

**NOTE 36 NET EARNINGS ON FIXED ASSETS**

None

**NOTE 37 INCOME TAX CHARGE**

(in thousands of euros)

Breakdown of income tax charge	Pre-tax income	Income tax owed	Net income after tax
Net recurring income	118,671	37,099	81,572
Regulated provisions			
Employee profit-sharing	-38	-2	-36
Income	118,633	37,097	81,536
Tax credits			
Tax assets			
Charge			
Corporate tax	118,633	37,097	81,536

Amundi Finance has been part of Amundi's tax consolidation group since 1 January 2010.

**NOTE 38 OPERATIONS IN UNCOOPERATIVE COUNTRIES OR TERRITORIES**

None

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### **NOTE 39 APPROPRIATION OF INCOME**

Distributable income totalled €322,463,965.17, including 2017 income in the amount of €81,535,907.33 and retained earnings of €240,928,057.84.

For 2017, a proposal has been made for 2017 net income to be appropriated to retained earnings, in the amount of €81,535,907.33, bringing total retained earnings to €322,463,965.17.

### **NOTE 40 DISCLOSURE OF STATUTORY AUDITORS' FEES**

The company is fully consolidated in Amundi's financial statements. As a result, information relating to statutory auditors' fees is indicated in the notes to the consolidated financial statements of Amundi Group.

### **MISCELLANEOUS COMPENSATION**

This information is not given in these notes as it will indirectly disclose individual compensation packages. The arrangements for executive compensation are known to the shareholders.

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# 04

## Statutory Auditors' Reports

## **Amundi Finance**

### **Statutory auditors' report on the financial statements**

For the year ended 31 December 2017

*This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English speaking users.*

*The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.*

*This report also includes information relating to the specific verification of information given in the management report and in the documents addressed 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.*

**PricewaterhouseCoopers Audit**  
63, rue de Villiers  
92208 Neuilly-sur-Seine Cedex  
S.A.S. au capital de € 2.510.460  
672 006 483 R.C.S. Nanterre

**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

## **Statutory Auditors' report on the financial statements**

**(For the year ended 31 December 2017)**

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

**Amundi Finance**  
90, boulevard Pasteur  
75730 Paris Cedex 15

To Amundi Finance's General Meeting,

### **Opinion**

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying financial statements of Amundi Finance for the year ended 31 December 2017.

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 31 December 2017 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.

### **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 these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

#### ***Independence***

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from 1 January 2017 to the date of our report and in particular we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No 537/2014 or 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 the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

No key audit matters are to be reported.

### **Verification of the management report and of the other documents provided to the shareholders**

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

### ***Information given in the management report with respect to the Company's financial position and the financial statements***

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to the shareholders with respect to the financial position and the financial statements.

### ***Report on corporate governance***

We attest that the Chairman's report on corporate governance sets out the information required by articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

In accordance with French law, we inform you that the information concerning compensation and benefits paid to corporate officers and commitments made to said officers provided for in article L.225-37-3 of the French Commercial Code has not been disclosed in the Board of Directors' report on corporate governance. Accordingly, we are not in a position to attest to the accuracy and fair presentation of the information on compensation and benefits paid to corporate officers or on commitments made to said officers.

### ***Other information***

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

### **Report on other legal and regulatory requirements**

#### ***Appointment of the Statutory Auditors***

We were appointed Statutory Auditors of Amundi Finance by the General Meetings held on 26 March 2003 for PricewaterhouseCoopers Audit and on 26 April 2005 for Ernst & Young et Autres.

As at 31 December 2017, PricewaterhouseCoopers Audit and Ernst & Young et Autres were in the fourteenth year and the twelfth year of total uninterrupted engagement.

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for preparing financial statements presenting a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements free of 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 expects to liquidate the company or to cease operations.

The Board of Directors is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

### **Responsibilities of the Statutory Auditors relating to the audit of the financial statements**

#### *Objective 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 of 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, our audit does not include assurance on the viability or quality of management of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their 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;
- Obtain 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;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- Assess 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 the audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;

- Evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

*Report to the Board of Directors*

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

Our report to the Board of Directors includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Board of Directors 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, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Board of Directors.

Neuilly-sur-Seine and Paris-La Défense, 13 April 2018

The Statutory Auditors

PricewaterhouseCoopers Audit

Ernst & Young Audit

Emmanuel Benoist

Claire Rochas

**PricewaterhouseCoopers Audit**  
63, rue de Villiers  
92208 Neuilly-sur-Seine Cedex  
S.A.S. au capital de € 2.510.460  
672 006 483 R.C.S. Nanterre

**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

## **Statutory Auditors' special report on related-party agreements**

### **(General Meeting for the approval of the financial statements for the year ended 31 December 2017)**

*This is a free translation into English of the Statutory Auditors' special report on related-party agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

**Amundi Finance**  
90, boulevard Pasteur  
75730 Paris Cedex 15

To Amundi Finance's General Meeting,

In our capacity as Statutory Auditors of Amundi Finance, we hereby report to you on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the General Meeting.

We performed the procedures that we deemed necessary in accordance with the professional standards applicable in France to such engagements.

**Amundi Finance**

*Statutory Auditors' special report on related-party agreements*

*(General Meeting for the approval of the financial statements for the year ended 31 December 2017) - Page 2*

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***AGREEMENTS SUBMITTED FOR THE APPROVAL OF THE GENERAL MEETING***

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**Agreements authorised during the year**

We were not informed of any agreements entered into during the year that are to be submitted for the approval of the General Meeting in accordance with the provisions of article L.225-38 of the French Commercial Code.

***AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING***

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We were not informed of any agreement already approved by the General Meeting and remaining in force during the year ended 31 December 2017.

Neuilly-sur-Seine and Paris-La Défense, 13 April 2018

The Statutory Auditors

PricewaterhouseCoopers Audit

Ernst & Young Audit

Emmanuel Benoist

Claire Rochas

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## 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**

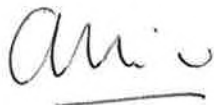
I declare, after taking all reasonable measures for this purpose and to the best of my knowledge, that the information contained in this document is in accordance with the facts and that it contains no omission likely to affect its import.

I declare that, to my knowledge, the financial statements were 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.

The financial information presented in this document were the subject of reports by the Statutory Auditors.

Paris, on 25<sup>th</sup> April 2018

Pierre BOSIO  
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