

# AMUNDI FINANCE

## ANNUAL REPORT 2016

# Management Report

## 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**

PRICEWATERHOUSECOOPERS AUDIT  
Represented by Mr Emmanuel BENOIST

ERNST & YOUNG AND OTHERS

Represented by Mr Olivier DRION

## MANAGEMENT REPORT TO THE BOARD OF DIRECTORS AMUNDI FINANCE

On the financial statements for the year ended 31 December 2016

### ACTIVITY DURING THE YEAR

Amundi France's main activities are:

- guarantee provision,
- notes issuance through its subsidiaries or directly,
- swaps and collateralisation between guaranteed funds, its subsidiaries and the market.

#### 1. Guarantees provided to funds

	2015 commitments in €	2016 commitments in €
Non PEA* formula funds	8,356,016,312	7,695,682,710
PEA formula funds	4,650,877,741	4,270,475,208
Portfolio insurance funds	4,471,132,457	3,568,669,965
Other guarantee funds (money market funds)	140,902,541	1,111,204,846
TOTAL funds guaranteed	17,618,929,051	16,646,032,730

\*equity savings plan

#### Exposure on commitments

Market conditions remained unfavourable for launching structured and guaranteed funds in 2016, with particularly low interest rate and spread levels. Erosion of commitments was particularly marked in the third quarter. Over the year, the decline in commitments was 6% in 2016, compared with 22% in 2015.

Formula funds (structured funds): for 2016, commitments on formula funds are down 7.9% for formula funds eligible for PEA equity savings plans and down 8.2% for non-eligible formula funds.

Portfolio insurance funds and other funds (combined study following the change in perimeters): commitments of CPPIs and other funds are down slightly (1.5%) over 2016. In world of very low interest rates, partial guarantees were popular in 2016.

#### Impact on the guarantor's activity in 2016

In 2016, calls on the guarantor amounted to €97k. These concerned capital guaranteed money market funds (capital guarantee not renewed in 2016) and the recycling of formula funds and issues due for capital guarantee funds over 6 months. Provisions were booked for formula fund recycling funds (€678k) and issues and a CPPI with a MAX NAV Amundi Objectif Retraite 2020 guarantee (€1 185k). The source of these provisions is the low interest rates which have resulted in funds' assets being unable to cover the guarantee.

From a credit risk point of view, the situation is, however, stable and prospects of guarantee calls are low. Accordingly, no provisions associated with formula funds have been booked.

## **2. Notes issuance through its 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 issue programme in 2016 to the Crédit Agricole network for the first, the LCL and CRELAN networks in Belgium for the second and the BAWAG network in Austria for the third, respectively for a notional of €582m, €920m and €19m for 2016. Outstanding amounts at the close of 2016 were €1 686m for Amundi Finance Emissions, €1 312m for LCL Emissions and €19m Amundi Issuance.

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

Amundi Finance's commitments for the issuance vehicles dnA, Amundi Finance Emissions and LCL Emissions stood at €3 206 557k on 31 December 2016.

## **3. Swaps and collateralisation**

Derivatives centralisation by Amundi Finance represented a notional €44 784m at 31 December 2016 (including external counterparties and funds) compared with €45 393m at 31 December 2015.

## INCOME STATEMENT AT 31 DECEMBER 2016

**Net Banking Income**, amounted to €192 495k compared with €233 405k at 31 December 2015.

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

	31/12/2016	31/12/2015
<i>(in thousands of euros)</i>		
<b>NBI FROM INVESTMENT MANAGEMENT</b>	<b>121,361</b>	<b>176,835</b>
fees (income)	<b>131,649</b>	<b>181.325</b>
<i>of which fixed fees on off-balance-sheet commitments</i>	26,264	27.117
<i>of which variable fees on off-balance-sheet commitments</i>	94,161	142.788
<i>of which provisions for guarantee calls</i>		
<i>of which fees on repurchase commitments and on notes</i>	11,224	11.420
fees (expenses)	<b>-10,288</b>	<b>-4.490</b>
<i>of which fees on off-balance-sheet commitments</i>	-109	-92
<i>of which market-making fees</i>	-746	-319
<i>of which expenses for guarantee calls</i>		
<i>of which fees on repurchase commitments and on notes</i>	-9,433	-4.079
<i>of which provisions for guarantee calls</i>		
<b>FINANCIAL NBI</b>	<b>72,299</b>	<b>57,595</b>
Interest and related income	1,909	821
Interest and related expenses	-7,352	-5.924
Gains and losses on the trading portfolio	29,122	19.041
Gains and losses on the investment portfolio and related items	1,847	843
Income from variable-income securities	46,773	42.815
<b>OTHER NET BANKING INCOME</b>	<b>-1,165</b>	<b>-1,026</b>
other banking operating income		
other banking operating expenses	-1,165	-1.026
<b>NET BANKING INCOME</b>	<b>192,495</b>	<b>233,405</b>

**Management NBI** amounted to €121 361k in 2016 compared with €176 835k in 2015. This drop is mainly linked to non-recurring events in 2015 (maturity of non-PEA fund). It is made up of the following:

- fixed-income on guarantees for €26 264k at 31 December 2016 compared with €27 117k at 31 December 2015, down slightly as a result of the fall in PEA funds' guarantee stocks;

- variable-income on guarantees for €94 161k in 2016 compared with €142 788k in 2015 are down sharply following the maturity of a large number of non-PEA funds in 2015;
- income on placement fees and repurchase commitment compensation in the amount of €11 224k in 2016 compared with €11 420k in 2015, of which:
  - €11 218k in placement fees on Notes issuance compared with €4 564k at 31 December 2015.
  - €6k in Repurchase Commitment Compensation compared with €6 856k at 31 December 2015. This fall-off is related to a change in the structuring process of financial forward contracts, the booking of Collection Risk Compensation instead of Repurchase Commitment Compensation (see Financial NBI).
- the item expense fees amounts to -€10 288k in 2016 compared with
- -€4 490k in 2015; it is mainly made up of:
  - retrocessions of placement fees on the Notes issuance activity in the amount of -€9 418k compared with -€4 043k in 2015,
  - market-making fees on CA Oblig Immo in the amount of -€746k,
  - charges on guarantee fees granted by Crédit Agricole SA for -€109k.

**Financial NBI** stands at €72 299k in 2016 compared with €57 595k in 2015, made up of the following:

- revenues on securities for €46 773k compared with €42 815k at 31 December 2015, of which:
  - dividends received from its subsidiary Amundi Intermédiation in the amount of €36 166k (of which €11 558k as an interim dividend on 2016 earnings) compared with €39 531k received in 2015,
  - dividends received from its subsidiary Amundi Tenue de Comptes in the amount of €10 776k (of which €4 992k as an interim dividend on 2016 earnings) compared with €3 288k in 2015.
- net interest expense in the amount of -€5 443k (compared with -€5 103 k at 31 December 2015), of which:

- interest expense of -€4 814k relating to the perpetual subordinated loan,
- net expense on guarantee deposits for collateral transactions and cash transactions -€594k in 2016 compared with -€276k in 2015,
- net income on swap issuance, notes, collateral and transaction portfolio activities in the amount of +€29 122k (compared with +€19 041k at 31 December 2015), of which :
  - + €34 410k (compared with €21 449k at 31 December 2015) corresponding to compensation for collection risks on these activities, up as a result of the 2015 change in the financial forward contracts structuring process for the marketing and launch of new formula fund type funds,
  - -€3 853k relating to the correction of the risk value compared with derivatives part (CVA) ,
  - -€1 435k in financial forward contracts and securities carrying earnings on all of the structures:
    - -€1 161k on formula funds as a result of under-collection at the time of the launch of certain funds (losses offset by IRCs received on these funds),
    - +€1 207k on UCO type structures,
    - -€76k on dnA,
    - +€1 421k on the CA OBLIG IMMO,
    - -€1 150k on LCL Emissions mainly as a result of under-collection at the time of the launch of certain s EMTNs,
    - +€44k on Crelan,
    - -€1 720k Asset Swaps type structures.
- gains in placement portfolio activity in the amount of +€1 847k compared with a gain of +€843k at 31 December 2015, of which:
  - +€1 889k in net earnings on securities in the placement portfolio, in relation to the process of structuring the interest-rate formula fund, such as Asset Swaps applied to financial forward contracts.

**Other income NBI** stands at -€1 165k and mainly includes the expense for the Amundi Finance contribution to the cost of the Crédit Agricole SA bonds in its capacity as reference shareholder, compared with -€1 026k in 2015.



**General operating expenses** break down as follows:

(in thousands of euros)	31/12/2016	31/12/2015
<b>Employee expenses</b>		
Salaries	-690	-702
Social security charges	-310	-281
Profit-sharing and incentive plans	-112	-70
Payroll-related tax	-117	-96
<b>Total employee expenses</b>	<b>-1,229</b>	<b>-1,149</b>
Charge-backs and reclassification of employee expenses		
<b>Net employee expenses</b>	<b>-1,229</b>	<b>-1,149</b>
<b>Administrative expenses</b>		
Taxes other than on income or payroll-related (1)	-4,126	-4,274
External services and other administrative expenses	-4,155	-4,200
<b>Total administrative expenses</b>	<b>-8,282</b>	<b>-8,474</b>
Charge-backs and reclassification of administrative expenses		
<b>Net administrative expenses</b>	<b>-8,282</b>	<b>-8,474</b>
<b>OPERATING EXPENSES</b>	<b>-9,511</b>	<b>-9,623</b>

(1) of which €1 009k for the resolution fund.

- employee expense is up slightly at €1 229k in 2016 compared with €1 149k in 2015, with mainly:
  - salaries and charges for permanent staff at €987k compared with €937k at 31 December 2015,
  - payroll-related taxes at €117k of which €92k in taxation on salaries,
  - provision for end-of-career indemnities of €15k.
  
- administrative expenses stable at €8 282k at 31 December 2016 compared with €8 474k at 31 December 2015. They are mainly made up of the following items:
  - external services at €4 155k compared with €4 199k at 31 December 2015, of which:
    - re-invoicing by the staff resources grouping provided to Amundi Finance in the amount of €1 461k, along with external services at €1 436k,

- IT and data base expenses at €829k, mainly relating to the Murex system,
- Agoram rent and charges at €169k,
- statutory auditors' fees at €181k.
- taxes and charges in the amount of €4 126k, with in particular:
  - CET / CVAE taxes in at €2 252k compared with €2 948k in 2015,
  - Systématique tax at €409k compared with €567k in 2015,
  - contribution to single resolution fund (FRU) at €1 009k compared with €247k in 2015,
  - ACPR tax at €98k compared with €114k in 2015,
  - BCE contribution at €67k compared with €59k in 2015,
  - contribution to the territorial authorities support fund at €95k compared with €45k in 2015,
  - social and solidarity contribution at €238k in 2016 compared with €294k in 2015.

**EBITDA** is booked as income at €182 984k in 2016 compared with €223 782k for the 2015 reporting period.

The **Cost of risk** is booked as income at €2 768k in 2016 compared with an expense of €5 960k in 2015; it is mainly made up of:

- +€4 655k in reversal of provisions on risks of calls relating to shortfalls on EMTN issues by Amundi Finance Emissions,
- -€1 863k in provisions on interest rate, PEA and insurance guarantees and more specifically, the monetarised Max NAV following the fall in interest rates and the money market funds recycling. (Funds guaranteed: AMUNDI Objectif Retraite 2020, Fonds Av Echus N°2 and Fonds Av Echus FIA-A).

**EBIT and Current earnings before tax** amounted to €185 752k in 2016 compared with €217 822k for 2015.

Corporation tax amounted to €49 327k of which a €1 000k provision for a tax risk on LODEOM programme.

The tax rate works out at 26.56%.

**Net Earnings** at 31 December 2016 was €136 425k compared with €154 389k at 31 December 2015.

## BALANCE SHEET AT 31 DECEMBER 2016

The balance sheet totalled €1 642 887k at 31 December 2016 compared with €1 868 784k at 31 December 2015. The main developments were as follows:

### Assets:

- **Loans to credit institutions** is down at €255 433k compared with €341 219k at 31 December 2015, of which mainly:
  - €254 600k in overnight lending to the group's central treasury compared with €338 200k in 2015.
- **Shares in affiliated entities** are stable at €48 306k in 2016 compared with €48 349k in 2015:

SUBSIDIARIES & EQUITY HOLDINGS	Currency	% control on 31/12/2015	Provision 2015	Net book value on 31/12/2015	Increases	Decreases	Gross book value on 31/12/2016	Provision 2016	Net book value on 31/12/2016
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	562	9,598			10,160		10,160
ETOILE GESTION	EUR	NS		82		-82	0		0
AMUNDI IMMOBILIER	EUR	NS		52			52		52
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	6,000	1,993,914			1,999,914	48,000	1,951,914
CPR AM	EUR	NS		32			32		32
BFT Gestion	EUR	NS		601		-601	0		0
SOCIETE GENERALE GESTION	EUR	NS		11		-11	0		0
AMUNDI PEF	EUR	NS		11			11		11
<b>TOTAL</b>			<b>171,560</b>	<b>48,348,529</b>	<b>0</b>	<b>-694</b>	<b>48,519,395</b>	<b>212,998</b>	<b>48,306,397</b>

- Bonds and other fixed income securities amount to €22 756k compared with €24 233k at 31 December 2015. This position corresponds to the carrying of bonds issued by the subsidiaries Amundi Finance Emissions, LCL Emissions and Amundi Issuance and by Crédit Agricole SA before repurchase for destruction by these issuing companies.
- Shares and other variable-income securities at €715k.
- Other assets at 1 032 351 compared with €1 134 628 at 31 December 2015. They mainly comprise:
  - guarantee deposits made to the collateral activity in the amount of €949 237k compared with €1 074 142k at 31 December 2015,
  - interim payments of corporation tax in the amount of €63 365k compared with €55 354m at 31 December 2015,
  - receivables in the amount of €4 089k compared with €4 290k at 31 December 2015.
- Adjustment accounts are down at €55 902k compared with €72 807k at 31 December 2015. They are mainly made up of income receivable on off-balance sheet commitments (guarantee fund and EMTN) in line with the collection of revenues. Commissions on the variable guarantee on PEA funds are collected annually, commission on fixed guarantees for the most part on maturity of the fund, and the same applies to commission on the variable guarantee on non-Pea funds.  
Placement fees, repurchase compensation and guarantee commissions on EMTN issuances are collected on a quarterly basis.

### **Liabilities:**

- Amounts owed to credit institutions at €189 221k corresponding to overnight loans relating to the collateral activity; no position was booked in 2015.

- Other liabilities, at €803 393k in 2016 (€1 140 791k in 2015) mainly records deposits received in relation to the collateral activity.
- Adjustment accounts, at €32 451k compared with €24 749k in 2015, is broken down as follows:
  - €1 652k relating to the valuation of financial forward contracts,
  - €16 930k on the correction of the value of financial forward contracts in terms of the counterparty risk on derivatives (CVA) compared with €13 076k in 2015,
  - €5 550k in deferred income representing the spread of fees for collection risk on structures in the process of being marketed such as formula funds, EMTN Amundi Finance Emissions, EMTN LCL Emissions and UCO.
  - €8 319k in accruals of which:
    - €6 028k in retrocessions on placement fees,
    - €1 708k in operating charges of which €1 461k re-invoicing of staff resources grouping provided for 2016.
    - €478k market making fees on structures such as CA Oblig Immo.
- Provisions for liabilities and charges at €14 607k compared with €16 456k in 2015 of which:
  - €6 294k of provisions for the “Testaments obsèques” guarantee fund,
  - €3 101k of provisions for risks relating to the guarantee activity covering funds and issuance vehicles,
  - €4 138k of provisions for undertakings given on the LODEOM investments in 2013,
  - €1 000k of provision for the tax risk on the LODEOM investment.
- Subordinated debt is stable at €100 040k; it corresponds to the perpetual subordinated loan intended to increase the level of the company’s equity capital and for deb buy-backs.

- Schedule of supplier invoices:

<b>Aging of accounts payable</b>		
(in thousands of euros)	31/12/2016	31/12/2015
<b>Overdue</b>	<b>26</b>	<b>25</b>
<b>Not yet due</b>	<b>67</b>	<b>785</b>
< 30 days	67	785
> 30 days < 45 days		
> 45 days		
<b>TOTAL</b>	<b>93</b>	<b>810</b>

**Equity capital** has evolved as follows:

(in thousands of euros)	Share capital	Share premiums, reserves and retained earnings	Interim dividend	Regulated provisions and investment subsidies	Net income	Total equity
<b>Balance at 31 December 2015</b>	<b>40,320</b>	<b>591,987</b>	<b>-199,949</b>		<b>154,389</b>	<b>586,747</b>
Dividends paid in respect of 2015						
Change in share capital						
Change in share premiums and reserves						
Appropriation of company net income		-45,560	199,949		-154,389	
Retained earnings						
Net income for financial year 2016			-219,997		136,425	-83,572
Other changes						
<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>

## OFF-BALANCE SHEET COMMITMENTS AT 31 DECEMBER 2016

On 31 December 2016, FFCs (FFCs) are booked for a notional of €44 784m compared with €45 393m at 31 December 2015.

### Financial forward contracts Overview

Notional in millions of euros	31/12/2016	31/12/2015	var
FFCs Collateral	35,784	38,035	-2,251
FFCs Notes	512	859	-348
FFCs Notes with margins	105	126	-21
FFCs Asset Swap Forward	934	934	0
FFCs UCO	2,887	2,007	880
FFCs EMTN CASA	1,720	1,460	260
FFCs EMTN Crelan	351	359	-7
FFCs EMTN LCL	2,453	1,613	840
FFCs Others EMTN	37	0	37
<b>TOTAL</b>	<b>44,784</b>	<b>45,393</b>	<b>-609</b>

Guarantees and endorsements given amount to €19 853m compared with €18 424m at 31 December 2015. This slight increase is mainly due to:

- The change in commitments given with regard to guarantee funds for €963m (€19 387m compared with €18 424m at 31 December 2015)

## DISTRIBUTION OF DIVIDENDS

Distributable income totals €460,924,934.06, including 2016 income in the amount of €136,424,995.20 and retained earnings of €324,499,938.86.

The total dividend proposed for 2016 is €219,996,876.22, or a dividend per share of €83.18, which corresponds to an interim dividend paid after a decision made by the Board of Directors on 21 October 2016.

After the income appropriation, retained earnings will amount to €240,928,057.84.

In accordance with the law, we remind you that over the last three financial periods, the company has allocated to each share, a dividend of:

- 2013: no dividend paid to shareholders and earnings for the period were credited in full to retained earnings.

- 2014: no dividend paid to shareholders and earnings for the period were credited in full to retained earnings.
- 2015: €75.60 per share

## **DEVELOPMENT PROSPECTS FOR 2017**

In 2017, the trends observed in 2017 look set to continue, with a stabilisation of amounts in the funds guaranteed.

Guaranteed bond issues look set to continue at a similar pace as that observed in 2016 at the Amundi Finance Emissions, LCL Emissions and Amundi Issuance subsidiaries. In 2017, the company is planning to issue bond guarantees itself.

## **MONITORING OF MARKET RISKS**

The organisation, procedures and tools for monitoring risks are set out in the internal control annual report. The risks of Amundi Finance result from guarantees granted, portfolio management and cash management.

## **CHANGES TO THE METHODS FOR PRESENTING THE ACCOUNTS**

No significant change has been made to the presentation methods used for the financial statements.

## **CONTROL OVER THE COMPANY**

At 31 December 2016 control over the company is as follows:

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



List of positions and offices held during the financial year 2016 by de  
Company Officers (L.225-102-1 of the French Commercial Code)

Financial year : 01/01/2016 to 31/12/2016

Pierre Bosio

Company	Position	Représents
AMUNDI FINANCE	Chief Executive Officer and Person "effectively running" the company	
AMUNDI FINANCE EMISSIONS	Director and Chief Executive Officer	
AMUNDI ISSUANCE	Deputy Chief Executive Officer	
LCL EMISSIONS	Director and Chief Executive Officer	
LRP	Director	
ANATEC	Non voting member	

(\*) Offices expired during the financial year

Nicolas Calcoen

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

(\*) Offices expired during the financial year

Claire Comil

Company	Position	Représents
AMUNDI FINANCE	Director	AMUNDI ASSET MANAGEMENT
AMUNDI ISSUANCE	Director	
TREETOP SICAV *	Director	

(\*) Offices expired during the financial year

Bernard De Wit

Company	Position	Représents
AMUNDI ASSET MANAGEMENT	Director and Deputy Chief Executive Officer	
AMUNDI FINANCE *	Chairman of the Board of Directors	
AMUNDI GLOBAL SERVICING *	Chairman of the Board of Directors	
AMUNDI INTERMEDIATION	Chairman of the Board of Directors	
AMUNDI LUXEMBOURG SA	Chairman of the Board of Directors	
AMUNDI SMITH BREENEN LLC	Director	
AMUNDI TENUE DE COMPTES *	Chairman of the Board of Directors	
AMUNDI-ACBA ASSET MANAGEMENT CJSC *	Director	
ANATEC	Member of the Supervisory Board	
ASSOCIATION DE RETRAITES D'AMUNDI (AMUNDI SILVER)	Vice-Président of the Board	
BFT INVESTMENT MANAGERS	Chairman of the Board of Directors	
CA Indosuez Wealth (France)	Director	
CA TITRES	Director	
CACEIS *	Director	
DNA	Director	
ETOILE GESTION *	Director	
EURO SECURITIES PARTNERS	Director	
FIRST EAGLE AMUNDI	Director	
FUND CHANNEL SA	Chairman of the Board of Directors	
LESICA	Director	AMUNDI ASSET MANAGEMENT

(\*) Offices expired during the financial year

Fathi Jerfel

Company	Position	Représents
AMUNDI ASSET MANAGEMENT	Director and Deputy Chief Executive Officer	
AMUNDI FINANCE	Director	
AMUNDI HELLAS ASSET MANAGEMENT A.E.P.E.Y. *	Chairman of the Board of Directors	
AMUNDI IMMOBILIER	Chairman of the Board of Directors	
AMUNDI JAPAN LTD (EX SGAM JAPAN CO LTD)	Chairman	
AMUNDI POLSKA TFI *	Chairman of the Supervisory Board	
AMUNDI PRIVATE EQUITY FUNDS	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	
INVESTICNI KAPITALOVA SPOLECNOST KB (IKS)	Chairman of the Supervisory Board	
NEXTSTAGE AM	Director	
RADIAN	Director	AMUNDI
SBI FUNDS MANAGEMENT PRIVATE LTD	Director	
SOCIETE GENERALE GESTION - S2G	Chairman of the Board of Directors	
STRUCTURA *	Director	
WAFI GESTION (MAROC)	Director	AMUNDI ASSET MANAGEMENT

(\*) Offices expired during the financial year

Béatrice Paillole

Company	Position	Représents
AMUNDI FINANCE	Deputy Chief Executive Officer and Person "effectively running" the company	
AMUNDI FINANCE EMISSIONS	Deputy Chief Executive Officer	
AMUNDI ISSUANCE	Director and Chief Executive Officer	
LCL EMISSIONS	Deputy Chief Executive Officer	

(\*) Offices expired during the financial year

## INFORMATION ON EXECUTIVE DIRECTORS

### Compensation of executive directors

In accordance with the provisions of article L.225-102-1 of the French Commercial Code, we are required to report on the total compensation (fixed, variable and exceptional), including in the form of allocation of equity securities, debt securities, or securities giving access to equity or the allocation of debt securities and benefits of any nature made during the course of the past period to each executive director who holds at least one office 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 given by the Company in favour of its executive directors holding at least one office in a company the shares of which are admitted to trading on a regulated market, corresponding to compensation, indemnities or benefits that may be due as a result of the taking up, the discontinuing or the change in these offices of subsequent thereto, along with the methods for determining these undertakings.

Executive directors, Company employees or companies that control the Company, and that hold at least one office in a company the shares of which were admitted to trading on a regulated market during the course of 2016, receive compensation and benefits in line with the classification grids in force at the Amundi and Crédit Agricole SA groups. In accordance with their internal policy, the Amundi and Crédit Agricole SA groups do not disclose this compensation and these benefits.

No option plan (option to purchase or subscribe shares) has been put in place at Amundi Finance.

## Work of the Board of Directors

### During the course of the period:

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

#### **Board of Directors meeting of 04/04/2016**

- Change of the name AMUNDI, Director, to AMUNDI ASSET MANAGEMENT and change of its permanent representative.
- Resignation of Mr Bernard DE WIT from his office as Chairman of the Board and Director at the end of the Meeting.
- Appointment of Mr Nicolas CALCOEN to the position of Director that was left vacant following the resignation of Mr Bernard DE WIT, subject to ratification at the next General Meeting.
- Appointment of new Chairman of the Board: Mr Nicolas CALCOEN.
- Choice of administration method.
- Confirmation of General Manager, Mr Pierre BOSIO, and Deputy General Manager, Ms Béatrice PAILLOLE.
- Confirmation Management Team.
- Management Report on the Company, examination and approval of the accounts 31/12/2015.
- Implementation of a bond issue programme.
- Convening of the Annual General Meeting of Shareholders
- Report on internal control for the 2015 reporting period.

#### **Board of Directors meeting of 28/07/2016**

- Company Activity Report on 30/6/2016.
- Examination and approval of the half-yearly accounts of the Company on at 30/06/2016.
- Comparative situation of men and women at the UES.
- Obtaining of VISA (regulatory approval) on the implementation of a multi-issuer bond issuance platform.

#### **Board of Directors meeting of 21/10/2016**

- Distribution of an interim dividend based on the financial statements at 30 September 2016

### Since the end of the period:

#### **Board of Directors meeting of 28/02/2017**

- Expiry of mandate of a Director: Mr Nicolas CALCOEN.
- Proposal to put the renewal of the mandate of the Director Mr Nicolas CALCOEN to the Annual General Meeting.
- Choice of administration method.
- Renewal of Mr Nicolas CALCOEN's mandate as Chairman of the Board of the Company, on the condition precedent of approval of the renewal of his mandate as Director at the next Annual General Meeting.

- Confirmation of Mr Pierre BOSIO as General Manager and of Ms Béatrice PAILLOLE Deputy General Manager, on the condition precedent of the approval of the renewal of the mandate of Mr Nicolas CALCOEN as a director at the next Annual General Meeting.
- Confirmation of Management Team: Mr Pierre BOSIO and Ms 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 on 31/12/2016.
- Convening of the Annual General Meeting of Shareholders
- Report on internal for the 2016 reporting period.

**TABLE OF FIGURES FOR THE LAST FIVE YEARS**

Category	31/12/2012	31/12/2013	31/12/2014	31/12/2015	31/12/2016
Share capital at end of year (in euros)	40 320 157	40 320 157	40 320 157	40 320 157	40 320 157
Shares issued	2 644 829	2 644 829	2 644 829	2 644 829	2 644 829
<b>Operations and results for the year</b> (in thousands of euros)	0	0	0	0	0
Net banking income	145 635	172 121	196 624	233 405	192 495
EBITDA	153 859	163 568	188 001	217 822	185 752
Income tax charge	-46 751	-45 476	-53 881	-63 432	-49 327
Earnings after tax, depreciation and provisions	107 108	118 092	134 120	154 389	136 425
Earnings distributed	0	0	0	199 949	219 997
<b>Per share data</b> (in Euros)	0	0	0	0	
Earnings after tax but before depreciation and provisions	40,50	44,65	50,71	58,37	51,58
Earnings after tax, depreciation and provisions	40,50	44,65	50,71	58,37	51,58
Dividend per share	0,00	0,00	0,00	75,60	83,18
<b>Employees</b>					
Average number of employees	7	8	8	8	10
Payroll during the year (in thousands of euros)	491	1 542	1 915	654	675
Employee benefits and social contributions paid during the year (in thousands of euros)	225	835	1 092	281	310

# Financial Statements

**AMUNDI FINANCE  
PARENT COMPANY FINANCIAL STATEMENTS  
AT 31/12/2016**

**Approved by the AMUNDI FINANCE Board of Directors  
on 28/02/2017 and submitted for approval to  
the Ordinary General Meeting held on 17/05/2017**



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**AMUNDI FINANCE**  
**COMPANY FINANCIAL STATEMENTS AT 31/12/2016**

**BALANCE SHEET AT 31 DECEMBER 2016**

(in thousands of euros)	Notes	31/12/2016	31/12/2015
<b>Interbank and similar transactions</b>		<b>255,433</b>	<b>341,219</b>
Cash and central banks			
Treasury bills and similar securities			
Loans and receivables due from credit institutions	3	255,433	341,219
<b>Customer transactions</b>	4		
<b>Securities transactions</b>		<b>23,471</b>	<b>41,358</b>
Bonds and other fixed-income securities	5	22,756	24,233
Equities and other variable-income securities	5	715	17,125
<b>Fixed assets</b>		<b>275,730</b>	<b>275,772</b>
Participating interests and other long-term securities holdings	6-7		
Investments in subsidiaries and affiliates	6-7	48,306	48,349
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>1,088,253</b>	<b>1,210,435</b>
Other	9	1,032,351	1,137,628
Accruals	9	55,902	72,807
<b>TOTAL ASSETS</b>		<b>1,642,887</b>	<b>1,868,784</b>

## EQUITY AND LIABILITIES

(in thousands of euros)	Notes	31/12/2016	31/12/2015
<b>Interbank transactions and similar transactions</b>		<b>189,221</b>	
Due to central banks			
Due to credit institutions	11	189,221	
<b>Customer deposits</b>	12		
<b>Debt securities</b>	13		
<b>Accruals, deferred income and sundry liabilities</b>		<b>835,844</b>	<b>1,165,540</b>
Other liabilities	14	803,393	1,140,791
Accruals	14	32,451	24,749
<b>Provisions and subordinated debt</b>		<b>114,647</b>	<b>116,496</b>
Provisions	15-16-17	14,607	16,456
Subordinated debt	19	100,040	100,040
<b>Fund for general banking risks (FGBR)</b>	18		
<b>Equity (excluding FGBR)</b>	20	<b>503,175</b>	<b>586,747</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		324,500	370,060
Net Income awaiting approval / interim dividends		-219,997	-199,949
Net income (loss) for the year		136,425	154,389
<b>TOTAL LIABILITIES</b>		<b>1,642,887</b>	<b>1,868,784</b>

## OFF-BALANCE SHEET AT 31 DECEMBER 2016

### OFF BALANCE SHEET

(in thousands of euros)	Notes	31/12/2016	31/12/2015
<b>COMMITMENTS GIVEN</b>			
Financing commitments	26		
Guarantee commitments	26	19,852,590	18,423,722
Commitments on securities	26		

(in thousands of euros)		31/12/2015	31/12/2014
<b>COMMITMENTS RECEIVED</b>			
Financing commitments	26		
Guarantee commitments	26		
Commitments on securities	26		

## INCOME STATEMENT AT 31 DECEMBER 2016

### INCOME STATEMENT

(in thousands of euros)	Notes	31/12/2016	31/12/2015
Interest and similar income	28-29	1,909	821
Interest and similar expenses	28	-7,352	-5,924
Income from variable-income securities	29	46,773	42,815
Fee and commission (income)	30	131,649	181,325
Fee and commission (expenses)	30	-10,288	-4,490
Net gains (losses) on trading book	31	29,122	19,041
Net gains (losses) on short-term investment portfolios and similar	32	1,847	843
Other banking income	33		
Other banking expenses	33	-1,165	-1,026
<b>Net banking income</b>		<b>192,495</b>	<b>233,405</b>
Operating expenses	34	-9,511	-9,623
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets			
<b>Gross operating income</b>		<b>182,984</b>	<b>223,782</b>
Cost of risk	35	2,768	-5,960
<b>Operating income</b>		<b>185,752</b>	<b>217,822</b>
Net gains (losses) on fixed assets	36		
<b>Pre-tax income on ordinary activities</b>		<b>185,752</b>	<b>217,822</b>
Net extraordinary items			
Income tax charge	37	-49,327	-63,432
Net allocation to FGBR and regulated provisions			
<b>Net income</b>		<b>136,425</b>	<b>154,389</b>

## CASH FLOW STATEMENTS AT 31 DECEMBER 2016

(in thousands of euros)	31/12/2016	31/12/2015
<b>Pre-tax income</b>	<b>185,752</b>	<b>217,822</b>
Net depreciation and impairment of property, plant & equipment and intangible assets		
Impairment of goodwill and other fixed assets		
Net depreciation charges to provisions	-2,849	6,003
Share of net income of equity-accounted entities		
Net income from investment activities		
Net income from financing activities	4,814	4,814
Other movements	19,926	26,837
<b>Total non-cash and other adjustment items included in pre-tax income</b>	<b>21,891</b>	<b>37,654</b>
Change in interbank items	3	
Change in customer items		
Change in financial assets and liabilities	22,567	69,681
Change in non-financial assets and liabilities	-209,073	-456,955
Dividends received from equity-accounted entities		
Tax paid	-71,374	-66,680
<b>Net change in assets and liabilities used in operating activities</b>	<b>-257,877</b>	<b>-453,954</b>
<b>TOTAL NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>-50,234</b>	<b>-198,478</b>
Change in equity investments	42	-499
Change in property, plant & equipment and intangible assets		
<b>TOTAL NET CASH FLOWS FROM INVESTMENT ACTIVITIES (B)</b>	<b>42</b>	<b>-499</b>
Cash received from (paid to) shareholders	-219,997	-199,949
Other cash provided by financing activities	-4,814	-4,801
<b>TOTAL NET CASH FLOWS FROM FINANCING ACTIVITIES (C)</b>	<b>-224,811</b>	<b>-204,750</b>
Impact of exchange rate changes on cash and cash equivalent (D)		
<b>Net increase / decrease in cash and cash equivalent (A+B+C+D)</b>	<b>-275,003</b>	<b>-403,726</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>341,217</b>	<b>744,943</b>
Net cash accounts and accounts with central banks		
Net demand loans and deposits with credit institutions	341,217	744,943
<b>Cash and cash equivalents at end of period</b>	<b>66,214</b>	<b>341,217</b>
Net cash account and accounts with central banks		
Net demand loans and deposits with credit institutions	66,214	341,217
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>-275,003</b>	<b>-403,726</b>

## **NOTE 1 LEGAL AND FINANCIAL FRAMEWORK AND SIGNIFICANT EVENTS**

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

Amundi Finance's share capital totalled €40,320,157 at 31 December 2016. It is divided into 2,644,829 shares with a nominal value of €15.24 each.

On 19 February 2002, Amundi Finance received accreditation from the CECEI (renamed the ACPR). In its capacity as a credit institution, Amundi Finance is licensed in to issue capital and/or performance guarantees in the field of asset management, in particular 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,
- the balance is held by other group companies.

This appendix is an inseparable part of the intermediary accounts of Amundi Finance, closed on 31 December 2016. They are expressed in thousands of euros ("€k").

The balance sheet total before appropriation is €1 642 887k.

Net banking income (NBI) is €192 495k.

Net earnings are € 136 425 k (€136 425 995.20).

### **1.2 Significant events relating to the 2016 reporting period**

In 2016, the subsidiary "Amundi Issuance" marketed its securities to the public for the first time on the Bawag PSK network in Austria.

Furthermore, in 2016 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 and CRELAN networks in Belgium (for LCL Emissions).

### **1.3 Events after the 2016 reporting period**

None.

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

These financial statements are presented in accordance with the provisions of ANC Regulation No. 2014-07 of 26 November 2014. For periods beginning on or after 1 January 2015, this one regulation combines all accounting standards governing credit institutions, pursuant to established law.

ANC Regulation No. 2014-07 had no impact on the income and net financial position of Amundi Finance.

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

Loans to credit institutions and customers are broken down according to their initial duration or the nature of the amounts: 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 loans headings, in line with the nature of the counterparty (interbank, customer).

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 recognised in income, based on the nature 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 review of the files. Unpaid interest is identified in the accounts and provisions are set aside accordingly.

## **2.2 Securities portfolio**

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 sold with the intention of buying them back in the short term.

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

They are valued on the basis of their market value on the reporting 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 securities transactions".

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

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

#### 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 inventory value of a line is lower than the book value, the unrealised loss is written down as an impairment loss.

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 into a given group that can be consolidated.
- Participating interests are investments (other than investments in subsidiaries and affiliates), of which the long-term ownership is judged 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 on 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 historical 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 mathematical value of the security.

When value in use is lower than historical 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 valued, is determined as follows:

- securities traded in an active market are valued 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 determines the probable trading value of the security in question by using valuation techniques. Firstly, these techniques refer to recent transactions carried out in normal competitive conditions. If applicable, Amundi uses standard valuation techniques used by market players to value these securities when it has been determined that these techniques produce reliable estimations of prices achieved in transactions on the real market.

## 2.3 Immobilisations

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 bringing the asset into service or "into inventory".

Buildings and equipment are measured at cost less accumulated depreciation and impairment losses since the time they were placed in service.

Software acquired 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.

If applicable, they can be impaired.

Fixed assets are depreciated over their estimated useful lives.

The following component and depreciation periods were taken by Amundi following the application of the component method of fixed asset accounting. It should be remembered that these depreciation periods should be adapted 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 contributed to its guarantee activity in 2004, Amundi Finance recorded business assets valued at €227,424k. These business assets have not undergone any depreciation or impairment.

## 2.4 Liabilities to credit institutions and customers

Liabilities to credit institutions and customers are presented in the financial statements according to their initial durations or the nature thereof;

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

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

## 2.5 Provisions

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

Provisions include provisions relating to financing commitments, retirement and early retirement liabilities, litigation and various risks.

All of these risks are assessed on a quarterly basis.



## **2.6 Derivatives 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 2016, forward financial commitments totalled €44 783 926k.

Instruments traded on an organised or similar market, or over the counter or included in a trading portfolio are assessed with respect to their market value at the reporting date.

All (realised or unrealised) gains and losses have been recorded on the income statement under "Net gains (losses) on trading book" for a net amount representing income of €29 122 150.92, including €34 410 182.00 in allowances for funding risks related to the launch of new funds and EMTN.

### Trading

Trading includes:

isolated open positions (Category "A", Article 2522-1 of ANC Regulation 2014-07);

specialised management of a trading portfolio (Category "D", Article 2522 of ANC Regulation 2014-07);

instruments that are traded on an organised market, similar, OTC, or included in a trading portfolio - within the meaning of ANC Regulation 2014-07.

These are evaluated by reference to their market value on the closing date."

If the instruments are evaluated at market value, this 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 affected hedging transactions (Category "B", Article 2522-1 of ANC Regulation 2014-07) are reported as income alongside the booking of income and expenses for the hedged item, and in the same accounting item.

Expenses and income related to forward financial instruments that are 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 prorated 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 the counterparty risk assessment on asset derivatives (Credit Valuation Adjustment or CVA) in the market value of derivatives. As such, only derivatives booked in isolated open positions or in trading portfolios (derivatives classified according to categories A and D of Article 25221 of the aforementioned regulation) are CVA calculated.

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

The calculation of CVA relies on estimating the expected losses based on the probability of default and the loss in the event of default.

The methodology used maximises the use of observable entry data.

It is based on:

market parameters first, such as CDS Single Name or CDS proxy.

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

## **2.7 Foreign currency transactions**

Money-market receivables and liabilities denominated in foreign currencies are converted into euros using the market exchange rate 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 on the transaction date. Accrued income and expenses not yet paid or received are converted at the closing rate.

For the application of Title 7, booking transactions in foreign currencies; Book II 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 currency position.

## **2.8 Off-balance sheet commitments**

### Financing commitments

Financing commitments are irrevocable commitments made by a credit institution to provide cash loans to the beneficiary following the procedures set out by the contract. Pre-approved loans are recognised once they are accepted by the client.

As Amundi Finance fully respects its obligations in terms of liquidity ratios, it did not use this method of financing in 2016.

### Guarantee commitments given

Within the scope of its activity, Amundi Finance provides its guarantee as part of issuing capital guarantees or performance guarantees for Amundi Clients (based on the calculation methods listed below).

On 31 December 2016, these guarantees given along with guarantees granted directly amounted to €19 852 590k.

## **2.9 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 et Amundi Transition Energétique). Agreements on employee profit-sharing and incentive plans have been signed under this framework.

Employees assigned ("seconded") by Crédit Agricole SA operate under agreements signed as part of that entity's UES. The estimated expense to be paid for profit-sharing and incentive plans has been recognised in the financial statements.

Employee profit-sharing for this UES is recognised in the income statement in the year in which the employees' rights are earned. Its cost is included in Employee expenses.

An estimated charge corresponding to 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 assigned ("seconded") by Crédit Agricole SA operate under agreements signed as part of that entity's UES. The estimated expense to be paid for profit-sharing and incentive plans has been recognised in the financial statements.

## **2.10 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 to be paid for the most recent financial year.

The amount contributed for 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 relating to the rules for booking and assessing pension obligations and similar benefits, recommendation 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 2016, these obligations are valued at €212k, while provisions amount to €74k.

The sensitivity analysis showed that:

- a 50 basis point increase in discount rates would reduce the commitment by 7.89%;
- a 50 basis point decrease in discount rates would increase the commitment by 8.77%.

Within Amundi Group, Amundi has entered into an insurance contract with PREDICA to cover end-of-career allowances (IFC). AMUNDI 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 contract.

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

## **2.11 Income tax**

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

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

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 charge continues to be recognised under the Income tax charge heading in the income statement.

Amundi Finance has signed a tax consolidation agreement with Amundi. Under this agreement, each company that is part of the tax consolidation mechanism recognises in its financial statements the tax that it would have had to pay in the absence of the mechanism.

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 – ANALYSIS BY REMAINING MATURITY**

(in thousands of euros)	31/12/2016						31/12/2015
	<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	255,433				255,433		341,219
· term							
Pledged securities							
Securities bought under repurchase agreements							
Subordinated loans							
<b>Total</b>	<b>255,433</b>				<b>255,433</b>	<b>255,433</b>	<b>341,219</b>
<b>Write-down</b>							
<b>NET CARRYING AMOUNT</b>	<b>255,433</b>				<b>255,433</b>	<b>255,433</b>	<b>341,219</b>
Current accounts							
Term deposits and advances							
<b>Total</b>							
<b>Write-down</b>							
<b>NET CARRYING AMOUNT</b>							
<b>TOTAL</b>	<b>255,433</b>				<b>255,433</b>	<b>255,433</b>	<b>341,219</b>

**NOTE 4 CUSTOMER TRANSACTIONS**

N/A

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

(in thousands of euros)	31/12/2016					31/12/2015
	Trading	Investment portfolio	Medium-term portfolio securities	Investments	Total	Total
Treasury bills and similar securities						
· of which residual net premium						
· of which residual net discount						
Accrued interest						
Write-down						
<b>Net carrying amount</b>						
Bonds and other fixed-income securities	22,756				22,756	24,233
Issued by a public entry						
Other issuers	22,756				22,756	24,233
· of which residual net premium						
· of which residual net discount						
Accrued interest						
Write-down						
<b>Net carrying amount</b>	<b>22,756</b>				<b>22,756</b>	<b>24,233</b>
Equities and other variable-income securities		715			715	17,171
Accrued interest						
Write-down						-45
<b>Net carrying amount</b>		<b>715</b>			<b>715</b>	<b>17,125</b>
<b>Total</b>	<b>22,756</b>	<b>715</b>			<b>23,471</b>	<b>41,358</b>
<b>Estimated values</b>		<b>746</b>			<b>746</b>	<b>17,125</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 31/12/2016	Net outstandings 31/12/2015
Government and central banks (including states)		
Credit institutions	11,454	10,902
Financial institutions	12,017	30,502
Local authorities		
Corporates, insurance companies and other customers		
Other and non-allocated		
<b>Total principal</b>	<b>23,471</b>	<b>41,404</b>
Accrued interest		
Write-down		-45
<b>Net carrying amount</b>	<b>23,471</b>	<b>41,358</b>

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

(in thousands of euros)	31/12/2016				31/12/2015			
	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	14,188			14,188	5,640			5,640
Unlisted securities	8,569		715	9,284	18,593		17,171	35,764
Accrued interest								
Write-down							-45	-45
<b>Net carrying amount</b>	<b>22,756</b>		<b>715</b>	<b>23,471</b>	<b>24,233</b>		<b>17,125</b>	<b>41,358</b>

The breakdown of all UCITS by type at 31 December 2016 is as follows:

(in thousands of euros)	Book value	Net asset value
Money-market mutual funds		
Bond mutual funds		
Stock mutual funds		
Other mutual funds	715	746
<b>TOTAL</b>	<b>715</b>	<b>746</b>

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

(in thousands of euros)	31/12/2016							31/12/2015
	<3 months	>3 months < 1 year	>1 year <5 years	>5 years	Total principal	Accrued interest	Total	Total
Bonds and other fixed-income securities								
Book value			7,054	15,703	22,756		22,756	24,233
Write-down								
<b>Net asset value</b>			<b>7,054</b>	<b>15,703</b>	<b>22,756</b>		<b>22,756</b>	<b>24,233</b>
Treasury bills								
Gross amount								
Write-down								
<b>Net asset value</b>								

**NOTE 5.4 TREASURY BILLS, BONDS AND OTHER FIXED-INCOME SECURITIES - ANALYSIS BY REMAINING MATURITY**

(in thousands of euros)	Net asset value	Net asset value
	31/12/2016	31/12/2015
France (including overseas departments and territories)	20,581	20,438
Other EU Countries	2,176	3,795
Other European countries		
North America		
Central and Latin America		
Africa and Middle East		
Asia and Oceania (excluding Japan)		
Japan		
<b>Total principal</b>	<b>22,756</b>	<b>24,233</b>
Accrued interest		
Write-down		
<b>CARRYING AMOUNT</b>	<b>22,756</b>	<b>24,233</b>

## NOTE 6 EQUITY INVESTMENTS AND SUBSIDIARIES

(in thousands of euros)

Company	Financial information				Book value of securities owned		Loans and receivables granted by the company outstanding	Amount of 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 capital	Percentage of capital owned (%)	Gross value	Net value					
<b>Equity investments with a book value higher than 1% of the Company's share capital</b>											
<b>1) Investments in banking subsidiaries and affiliates (over 50% of share capital)</b>											
AMUNDI TENUE DE COMPTE	EUR	24,000	-4,092	100.00%	34,167	34,167			41,741	11,231	10,776
<b>2) Investments in banking subsidiaries and affiliates (10% to 50% of share capital)</b>											
AMUNDI INTERMEDIATION	EUR	14,604	-29,384	38.53%	5,628	5,628			135,403	78,318	36,166
<b>2) Investments in other subsidiaries and affiliates (more than 50% owned)</b>											
<b>4) Other equity investments (10% to 50% of share capital)</b>											
<b>Equity investments with a book value lower than 1% of Amundi Finance's share capital</b>											
	EUR				8,724	8,511					
<b>TOTAL SUSIDIARIES AND EQUITY INVESTMENT</b>					<b>48,519</b>	<b>48,306</b>					



## NOTE 6.1 ESTIMATED VALUE OF EQUITY INVESTMENTS

<i>(in thousands of euros)</i>	31/12/2016		31/12/2015	
	Carrying amount	Estimated value	Carrying amount	Estimated value
<b>Investments in subsidiaries and affiliates</b>				
· Unlisted securities	48,519	48,306	48,520	48,349
· Listed securities				
· Advances available for consolidation				
· Accrued interest				
· Write-down	-213		-172	
<b>Net carrying amount</b>	<b>48,306</b>	<b>48,306</b>	<b>48,349</b>	<b>48,349</b>
<b>Equity investments and other long-term equity investments</b>				
<b>Equity investments</b>				
· Unlisted securities				
· Listed securities				
· Advances available for consolidation				
· Accrued interest				
· Write-down				
<b>Sub-total of equity investments</b>				
<b>Other long-term equity investment</b>				
· Unlisted securities				
· Listed securities				
· Advances available for consolidation				
· Accrued interest				
· Write-down				
<b>Sub-total other long-term equity investments</b>				
<b>Net carrying amount</b>				
<b>TOTAL EQUITY INVESTMENTS</b>	<b>48,306</b>	<b>48,306</b>	<b>48,349</b>	<b>48,349</b>

<i>(in thousands of euros)</i>	31/12/2016		31/12/2015	
	Carrying amount	Estimated value	Carrying amount	Estimated value
<b>Total gross values</b>				
Unlisted securities	48,519	48,306	48,520	48,349
Listed securities				
<b>TOTAL</b>	<b>48,519</b>	<b>48,306</b>	<b>48,520</b>	<b>48,349</b>

## NOTE 7 CHANGE IN FIXED ASSETS

### NOTE 7.1 FINANCIAL ASSETS

(in thousands of euros)	01/01/2016	Increases (Acquisitions)	Decreases (disposals, maturity)	Other movements	31/12/2016
<b>Investments in subsidiaries and affiliates</b>					
Gross values	48,520		-1		48,519
Advances available for consolidation					
Accrued interest					
Write-downs	-172	-42	1		-213
<b>Net carrying amount</b>	<b>48,349</b>	<b>-42</b>			<b>48,306</b>
<b>Equity investments</b>					
Gross values					
Advances available for consolidation					
Accrued interest					
Write-downs					
<b>Other long-term equity investment</b>					
Gross values					
Advances available for consolidation					
Accrued interest					
Write-downs					
<b>Net carrying amount</b>					
<b>TOTAL</b>	<b>48,349</b>	<b>-42</b>			<b>48,306</b>

### NOTE 7.2 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(in thousands of euros)	01/01/2016	Increases (Acquisitions)	Decreases (disposals, maturity)	Other movements	31/12/2016
<b>Property, plant and equipment</b>					
Gross values					
Amortisation and write-downs					
<b>Net carrying amount</b>					
<b>Intangible assets</b>					
Gross values	227,424				227,424
Amortisation and write-downs					
<b>Net carrying amount</b>	<b>227,424</b>				<b>227,424</b>
<b>TOTAL</b>	<b>227,424</b>				<b>227,424</b>

## NOTE 8 TREASURY SHARES

N/A

## NOTE 9 ACCRUAL, PREPAYMENTS AND SUNDRY ASSETS

(in thousands of euros)	31/12/2016	31/12/2015
<b>Other assets (1)</b>		
Financial options bought		
Inventory accounts and miscellaneous		
Miscellaneous debtors (2)	1,032,351	1,137,628
Collective management of Livret de développement durable		
Settlement accounts		
<b>Net carrying amount</b>	<b>1,032,351</b>	<b>1,137,628</b>
<b>Accrued and prepayments</b>		
Items in course of transmission		
Adjustment accounts		
Unrealised losses and deferred losses on financial instruments		
Accrued income on commitments on forward financial instruments		
Other accrued income	55,901	72,805
Prepaid accrued income	1	2
Deferred charges		
Other accruals		
<b>Net carrying amount</b>	<b>55,902</b>	<b>72,807</b>
<b>Total</b>	<b>1,088,253</b>	<b>1,210,435</b>

(1) Amounts including accrued interest

(2) Including € 299 thousand in respect of the contribution to the Resolution Fund paid in the form of a security deposit. This deposit can be used by the Resolution Fund, at any time and without conditions, to finance an intervention.

SUNDRY ASSETS primarily consist of security deposits paid as part of the collateral business (€949,237k), corporate income tax instalments (€63,365k), trade receivables (€4,089k) and other receivables (€15,660k). Other accrued income is related to the guarantee business.

## NOTE 10 WRITE-DOWNS DEDUCTED FROM ASSETS

(in thousands of euros)	Balance at 31/12/2015	Write- downs	Reversal and utilisations	Accretion	Other movements	Balance at 31/12/2016
On interbank transactions and similar items						
On loans and receivables due from customers						
On securities transactions	217	42	-46			213
On fixed assets						
On other assets						
<b>Total</b>	<b>217</b>	<b>42</b>	<b>-46</b>			<b>213</b>

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## NOTE 11 DUE TO CREDIT INSTITUTIONS – ANALYSIS BY REMAINING MATURITY

(in thousands of euros)	31/12/2016				Total principal	Accrued interest	Total
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	>5 years			
<b>Credit institutions</b>							
Accounts and borrowings :							
· demand	189,220				189,220	1	189,221
· time							
Pledged securities							
Securities sold under repurchase agreements							
<b>Net Carrying amount</b>	<b>189,220</b>				<b>189,220</b>	<b>1</b>	<b>189,221</b>

## NOTE 12 CUSTOMER DEPOSITS

N/A

## NOTE 13 DEBT SECURITIES

N/A

## NOTE 14 ACCRUALS, DEFERRED INCOME AND SUNDRY LIABILITIES

(in thousands of euros)	31/12/2016	31/12/2015
<b>Other liabilities (1)</b>		
Counterparty transactions (trading securities)		
Liabilities relating to stock lending transactions		
Optional instruments sold		
Settlement and negotiations accounts		
Miscellaneous creditors	803,393	1,140,791
Payments on securities in process		
<b>Carrying amount</b>	<b>803,393</b>	<b>1,140,791</b>
<b>Accruals</b>		
- Collection and transfer accounts		
- Adjustment accounts		
- Unrealised gains and deferred gains on financial instruments		
- Unearned income	5,550	7,540
- Accrued expenses on commitments on forward financial instruments	18,582	13,902
- Other accrued expenses	8,319	3,308
- Other accruals		
<b>Carrying amount</b>	<b>32,451</b>	<b>24,749</b>
<b>TOTAL</b>	<b>835,844</b>	<b>1,165,540</b>

(1) Amounts including accrued interest.

OTHER LIABILITIES are mainly made up of deposit guarantees received relating to the collateral activity (€741 411k), corporation tax charge (€48 382k) with the remainder being made up of other liabilities.

## NOTE 15 PROVISIONS

(in thousands of euros)	Balance at 01/01/2016	Increases	Reversals used	Decreases and reversals not used	Other movements	Outstanding at 31/12/2016
<b>Provisions</b>						
For pension commitments and similar	58	15				74
For other employee commitments						
For financial commitment execution risks	5,965	1,900	97	4,668		3,101
For tax disputes						
For other litigation						
For country risk						
For credit risk						
For restructuring						
For taxes		1,000				1,000
For equity investments						
For operational risk						
Other provisions	10,432					10,432
<b>Carrying amount</b>	<b>16,456</b>	<b>2,916</b>	<b>97</b>	<b>4,668</b>		<b>14,607</b>

## NOTE 16 HOME OWNERSHIP SAVINGS

N/A

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

### Change in actuarial liability

(in thousands of euros)	31/12/2016	31/12/2015
<b>Actuarial liability at 31/12/N-1</b>	<b>188</b>	<b>137</b>
Cost of services rendered during the period	10	7
Effect of discounting	3	3
Employee contributions		
Benefit plan changes, withdrawals and settlement		
Change in scope		
Early retirement allowances		
Benefit paid		
Actuarial (gains) / losses	12	41
<b>Actuarial liability at 31/12/N</b>	<b>213</b>	<b>188</b>

### Change in fair value of plan assets

(in thousands of euros)	31/12/2016	31/12/2015
<b>Fair value of assets / right to reimbursement at 31/12/N-1</b>	<b>130</b>	<b>127</b>
Expected return on assets	2	3
Actuarial gains (losses)	7	
Employer contributions		
Employee contributions		
Benefit plan changes / withdrawals / settlement		
Change in scope		
Early retirement allowances		
Benefit paid by the fund		
<b>Fair value of assets / right to reimbursement at 31/12/N</b>	<b>139</b>	<b>130</b>

### Net position

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

(in thousands of euros)	31/12/2016	31/12/2015	(in thousands of euros)	31/12/2016	31/12/2015
<b>Actuarial liability at 31/12/N</b>			<b>Actuarial liability at 31/12/N</b>	<b>213</b>	<b>188</b>
Cost of services rendered during the period	10	7	Impact of asset restriction		
Financial cost	3	3	Fair value of assets at year-end	-139	-130
Expected return of assets during the period	-2	-3	<b>Net position (liabilities) / assets at 31/12/N</b>	<b>-74</b>	<b>-58</b>
Amortisation of past service cost					
Other gains or losses					
<b>Net charge recognised in the income statement</b>	<b>11</b>	<b>7</b>			

## NOTE 18 FUND FOR GENERAL BANKING RISKS

N/A

## NOTE 19 SUBORDINATED DEBT - ANALYSIS BY REMAINING MATURITY

(in thousands of euros)	31/12/2016					31/12/2015		
	< 3 months	> 3 months < 1 year	> 1 year < 5 years	> 5 years	Total principal	Accrued interest	Total	Total
<b>Fixed-term subordinated debt</b>								
Euro								
US dollar								
<b>Participating securities and loans</b>								
<b>Other subordinated term loans</b>								
<b>Undated subordinated debt (1)</b>				100,000	100,000	40	100,040	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>	<b>100,040</b>

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

Expenses related to subordinated debt total €4,814k at 31 December 2016.

## NOTE 20 CHANGES IN EQUITY (before appropriation)

(in thousands of euros)	Share capital	Share premiums, reserves and retained earnings	Interim dividend	Regulated provisions and investment subsidies	Net income	Total equity
<b>Balance at 31 December 2015</b>	<b>40,320</b>	<b>591,987</b>	<b>-199,949</b>		<b>154,389</b>	<b>586,747</b>
Dividends paid in respect of 2015						
Change in share capital						
Change in share premiums and reserves						
Appropriation of company net income		-45,560	199,949		-154,389	
Retained earnings						
Net income for financial year 2016			-219,997		136,425	-83,572
Other changes						
<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>

## NOTE 21 COMPOSITION OF CAPITAL

(in thousands of euros)	31/12/2016	31/12/2015
Equity	503,175	586,747
Fund for general banking risks		
Subordinated debt and participating securities	100,040	100,040
Mutual security deposits		
<b>TOTAL CAPITAL</b>	<b>603,215</b>	<b>686,787</b>

## NOTE 22 TRANSACTIONS WITH SUBSIDIARIES AND AFFILIATES AND EQUITY INVESTMENTS

(in thousands of euros)	Balance at 31 December 2016 Transactions with subsidiaries and affiliates, and equity investments	Balance at 31 December 2015 Transactions with subsidiaries and affiliates, and equity investments
<b>Loans and receivables</b>	<b>278,190</b>	<b>365,452</b>
Credit and other financial institutions	255,433	341,219
Customers		
Bonds and other fixed income securities	22,756	24,233
<b>Debt</b>	<b>289,260</b>	<b>100,041</b>
Credit and other financial institutions	189,220	
Customers		
Debt securities and subordinated debt	100,040	100,040
<b>Commitments given</b>	<b>3,828,155</b>	<b>1,217,482</b>
Financing commitments given to credit institutions		
Financing commitments given to customers		
Guarantees given to credit and other financial institutions		
Guarantees given to customers	3,828,155	1,217,482
Securities acquired with repurchase options		
Other commitments given		

## NOTE 23 FOREIGN CURRENCY DENOMINATED TRANSACTIONS

(in thousands of euros)	31/12/2016		31/12/2015	
	Assets	Equity and liabilities	Assets	Equity and liabilities
Euro	1,642,887	1,642,887	1,868,784	1,868,784
Other European Union currencies				
Swiss Franc				
Dollar				
Yen				
Other currencies				
<b>Total</b>	<b>1,642,887</b>	<b>1,642,887</b>	<b>1,868,784</b>	<b>1,868,784</b>

## NOTE 24 FOREIGN EXCHANGE TRANSACTIONS, FOREIGN CURRENCY LENDING AND BORROWING

N/A



**NOTE 25 TRANSACTIONS ON FORWARD FINANCIAL INSTRUMENTS**

(in thousands of euros)	31/12/2016			31/12/2015
	Hedging transactions	Other	Total	Total
<b>Futures and forwards</b>		<b>44,783,926</b>	<b>44,783,926</b>	<b>45,393,256</b>
<b>Exchange-traded (1)</b>				
Interest rate futures				
Currency forwards				
Equity and stock index instruments				
Other futures				
<b>Over-the-counter</b>		<b>44,783,926</b>	<b>44,783,926</b>	<b>45,393,256</b>
Interest rate swaps		3,028,341	3,028,341	2,767,802
Other interest rate forwards				
Currency forwards				
FRAs				
Equity and stock index instruments		41,755,585	41,755,585	42,625,454
Other futures				
<b>Options</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>				
Interest rate swap options				
* Bought				
* Sold				
Other interest rate forwards				
* Bought				
* Sold				
Currency futures				
* Bought				
* Sold				
Equity and stock index instruments				
* Bought				
* Sold				
Other futures				
* Bought				
* Sold				
<b>Credit derivatives</b>				
Credit derivative contracts				
* Bought				
* Sold				
<b>TOTAL</b>		<b>44,783,926</b>	<b>44,783,926</b>	<b>45,393,256</b>

(1): The amounts shown in respect of futures and forwards must correspond to aggregate long and short positions (interest rate swaps and interest rate swap options), or to aggregate purchases and sales of contracts (other contracts).

**NOTE 25.1 TRANSACTIONS ON FORWARD FINANCIAL INSTRUMENTS: ANALYSIS BY REMAINING MATURITY**

(in thousands of euros)	Total 31/12/2016			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									
FRAs									
Interest rate swaps	35,137	1,223,504	1,769,699	35,137	1,223,504	1,672,652			97,047
Interest rate forwards									
Caps, Floors, Collars									
Interest rate forwards									
Equity, equity index and precious metals futures and forwards	1,360,940	24,226,830	16,167,815	1,360,940	24,226,830	16,167,815			
Equity, equity index and precious metals options									
Equity, equity index and precious metals derivatives									
<b>Subtotal</b>	<b>1,396,077</b>	<b>25,450,334</b>	<b>17,937,514</b>	<b>1,396,077</b>	<b>25,450,334</b>	<b>17,840,467</b>			<b>97,047</b>
Forward currency transactions									
<b>Total</b>	<b>1,396,077</b>	<b>25,450,334</b>	<b>17,937,514</b>	<b>1,396,077</b>	<b>25,450,334</b>	<b>17,840,467</b>			<b>97,047</b>

**NOTE 25.2 Forward financial instruments - Fair value**

(in thousands of euros)	31/12/2016		31/12/2015	
	Fair Value	Outstanding notional	Fair Value	Outstanding notional
Futures	0	0	0	0
Currency options				
Currency futures				
FRAs				
Interest rate swaps	-188	3,028,341	-185	2,767,802
Currency swaps				
Caps, Floors, Collars				
Equity, equity index and precious metals derivatives	-1.464	41,755,585	-641	42,625,454
<b>Gross amount</b>	<b>-1.652</b>	<b>44,783,926</b>	<b>-825</b>	<b>45,393,256</b>
Forward currency transactions				
<b>TOTAL</b>	<b>-1.652</b>	<b>44,783,926</b>	<b>-825</b>	<b>45,393,256</b>

**NOTE 25.3 BREAKDOWN OF INTEREST RATE SWAPS**

(in thousands of euros)

CURRENCY AND INTERST RATE SWAPS	Isolated open position	Micro-Hedging	Macro-hedging	Transaction swaps
Interest rate swaps				3,028,341
Similar contracts (1)				

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

## NOTE 26 COMMITMENTS GIVEN AND RECEIVED

(in thousands of euros)	31/12/2016	31/12/2015
<b>Commitment given</b>	<b>19,852,590</b>	<b>18,423,722</b>
<b>Financing commitments</b>		
Commitments to credit institutions		
Commitments to customers		
- Confirmed credit lines		
Documentary credits		
Other confirmed credit lines		
- Other commitments to customers		
<b>Guarantee commitments</b>	<b>19,852,590</b>	<b>18,423,722</b>
Credit institutions		
- Confirmed documentary credit lines		
- Other guarantees		
Customers	19,852,590	18,423,722
- Real estate guarantees		
- financial guarantees		
- Other customer guarantees	19,852,590	18,423,722
<b>Commitments on securities</b>		
. Securities acquired with repurchase options		
. Other commitments to be given		
<b>Commitments received</b>		
<b>Financing commitments</b>		
Commitments from credit institutions		
Commitments from customers		
<b>Guarantee commitments</b>		
Commitments from credit institutions		
Commitments from customers		
<b>Commitments on securities</b>		
Securities sold with repurchase options		
Other commitments received		

## NOTE 27 INFORMATION ON COUNTERPARTY RISK ON DERIVATIVE PRODUCTS

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

- Organisation into specialised units and business lines that report to General Management.
- Internal procedures that establish the rules for taking and monitoring risk, which apply to various stakeholders in the entity. This principle of setting a limit on commitments is applied to all kinds of counterparties: businesses, banks, financial institutions, and government-related or state entities. Similarly, the assumption of risk in counterparties controlled or resident 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 on interest rates, foreign exchange, 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***

(in thousands of euros)	31/12/2016			31/12/2015		
	Fair Value	Potential credit risk	total counterparty risk	Fair Value	Potential credit risk	total counterparty risk
Risk regarding OECD governments, central banks and similar organisations						
Risk regarding OECD financial institutions and similar organisations	1,314,208	16,918	1,297,290	1,422,688	13,076	1,409,612
Risk on other counterparties						
<b>Total before impact of netting contracts</b>	<b>1,314,208</b>	<b>16,918</b>	<b>1,297,290</b>	<b>1,422,688</b>	<b>13,076</b>	<b>1,409,612</b>
<b>Risk on :</b>						
Interest rate, exchange rate and commodities contracts	152,276		152,276	131,140		131,140
Equity and index derivative contracts	1,161,932		1,161,932	1,291,548		1,291,548
<b>Total before impact of netting contracts</b>	<b>1,314,208</b>		<b>1,314,208</b>	<b>1,422,688</b>		<b>1,422,688</b>
<b>Impact of netting and collateralisation contracts</b>	<b>741,411</b>		<b>741,411</b>	<b>1,073,310</b>		<b>1,073,310</b>
<b>Total after impact of netting contracts</b>	<b>572,797</b>	<b>16,918</b>	<b>555,879</b>	<b>349,378</b>	<b>13,076</b>	<b>336,302</b>

### ***NOTE 28 NET INTEREST AND SIMILAR INCOME***

(in thousands of euros)	31/12/2016	31/12/2015
On transactions with credit institutions	1,751	815
On transactions with customers		
On bonds and other fixed-income securities		
Net income on macro-hedging transactions		
Other interest and similar income	158	6
<b>Interest and similar income</b>	<b>1,909</b>	<b>821</b>
On transactions with credit institutions	-5,269	-4,969
On transactions with customers	-2,079	-946
On bonds and other fixed-income securities		
Net income on macro-hedging transactions		
Other interest and similar expenses	-4	-9
<b>Interest and similar expenses</b>	<b>-7,352</b>	<b>-5,924</b>
<b>NET INTEREST AND SIMILAR INCOME</b>	<b>-5,443</b>	<b>-5,104</b>

## NOTE 29 INCOME FROM SECURITIES

(in thousands of euros)	31/12/2016	31/12/2015
Short-term investment securities		
Sustainable development passbook account (LDD)		
Long-term investment securities		
Other securities transactions		
<b>Income from fixed income securities</b>		
Investments in subsidiaries and affiliates, equity investments and other long-term equity investments	46,773	42,815
Short-term investment securities and medium-term portfolio securities		
Other securities transactions		
<b>Income from variable-income securities</b>	<b>46,773</b>	<b>42,815</b>
<b>TOTAL INCOME FROM SECURITIES</b>	<b>46,773</b>	<b>42,815</b>

## NOTE 30 NET FEE AND COMMISSION INCOME

(in thousands of euros)	31/12/2016			31/12/2015		
	Income	Expenses	Net	Income	Expenses	Net
On transactions with credit institutions						
On transactions with customers						
On securities transactions	11,224	-9,433	1,791	11,420	-4,047	7,373
On forward financial instruments and other off-balance sheet transactions	120,425	-855	119,570	169,905	-443	169,462
On financial services						
Provisions for fee and commission risks						
<b>TOTAL NET FEE AND COMMISSION INCOME</b>	<b>131,649</b>	<b>-10,288</b>	<b>121,361</b>	<b>181,325</b>	<b>-4,490</b>	<b>176,835</b>

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

(in thousands of euros)	31/12/2016	31/12/2015
Gains (losses) on trading securities	2,142	419
Gains (losses) on foreign currency transactions and similar financial instruments		
Gains (losses) on other forward financial instruments	26,980	18,622
<b>NET GAINS (LOSSES) ON TRADING BOOK</b>	<b>29,122</b>	<b>19,041</b>

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

(in thousands of euros)	31/12/2016	31/12/2015
Short-term investment securities		
Write-down losses	-42	-52
Reversal of write-down losses	46	505
Net write-downs	4	453
Gains on disposals	1,843	390
Losses on disposals		
Net gains (losses) on disposals	1,843	390
<b>Net gains (losses) on short-term investment securities</b>	<b>1,847</b>	<b>843</b>
Medium-term portfolio securities		
Write-downs		
Reversal 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 SHORT TERM INVESTEMENT PORTFOLIOS AND SIMILAR</b>	<b>1,847</b>	<b>843</b>

## NOTE 33 OTHER BANKING INCOME AND EXPENSES

(in thousands of euros)	31/12/2016	31/12/2015
Sundry income		
Share of joint ventures		
Charge-backs and expense reclassification		
Provision reversals		
<b>Other income from banking operations</b>		
Sundry expenses		
Share of joint ventures		
Charge-backs and expense reclassification	-1,165	-1,026
Provisions		
<b>Other expenses operations and similar</b>	<b>-1,165</b>	<b>-1,026</b>
<b>OTHER INCOME AND EXPENSES FROM BANKING OPERATIONS</b>	<b>-1,165</b>	<b>-1,026</b>

## NOTE 34 OPERATING EXPENSES

(in thousands of euros)	31/12/2016	31/12/2015
<b>Employee expenses</b>		
Salaries	-690	-702
Social security charges	-310	-281
Profit-sharing and incentive plans	-112	-70
Payroll-related tax	-117	-96
<b>Total employee expenses</b>	<b>-1,229</b>	<b>-1,149</b>
Charge-backs and reclassification of employee expenses		
<b>Net employee expenses</b>	<b>-1,229</b>	<b>-1,149</b>
<b>Administrative expenses</b>		
Taxes other than on income or payroll-related (1)	-4,126	-4,274
External services and other administrative expenses	-4,155	-4,200
<b>Total administrative expenses</b>	<b>-8,282</b>	<b>-8,474</b>
Charge-backs and reclassification of administrative expenses		
<b>Net administrative expenses</b>	<b>-8,282</b>	<b>-8,474</b>
<b>OPERATING EXPENSES</b>	<b>-9,511</b>	<b>-9,623</b>

(1) including €1,009 thousand of the contribution to the Resolution Fund.

## NOTE 34.1 HEADCOUNT BY CATEGORY

(average number of employees)	31/12/2016	31/12/2015
Executives	10	8
Non-executives	0	0
<b>TOTAL</b>	<b>10</b>	<b>8</b>
<i>O/w: France</i>	<i>10</i>	<i>8</i>
<i>Abroad</i>		
<i>O/w: seconded employees</i>		



## NOTE 35 COST OF RISK

(in thousands of euros)	31/12/2016	31/12/2015
<b>Depreciation charges to provisions and impairment</b>	<b>-1,900</b>	<b>-5,978</b>
Impairment of doubtful loans and receivables		
Other depreciation and impairment losses	-1,900	-5,978
<b>Reversal of provisions and impairment losses</b>	<b>4,765</b>	<b>23</b>
Reversal of impairment losses on doubtful loans and receivables		
Other reversals of provisions and impairment losses	4,765	23
<b>Change in provisions and impairment</b>	<b>2,864</b>	<b>-5,955</b>
Losses on non-impaired irrevocable loans		
Losses on impaired irrevocable loans	-97	
Discounts on restructured loans		
Recoveries on loans written off		
Other losses		-5
Other income		
<b>COST OF RISK</b>	<b>2,768</b>	<b>-5,960</b>

## NOTE 36 NET GAINS (LOSSES) ON FIXED ASSETS

N/A

## NOTE 37 INCOME TAX CHARGE

(in thousands of euros)

Breakdown to income tax charge	Pre-tax income	Income tax owed	Net Income after tax
net recurring income	185,819	49,333	136,485
Regulatory provisions			
Employee profit-sharing	-67	-7	-60
Net income	185,752	49,327	136,425
Tax credits			
Tax assets			
Charge			
Corporate Tax	185,752	49,327	136,425

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

## NOTE 38 OPERATIONS IN NON-COOPERATIVE COUNTRIES AND TERRITORIES

N/A

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

Distributable income totals €460,924,934.06, including 2016 income in the amount of €136,424,995.20 and retained earnings of €324,499,938.86.

The total dividend proposed for 2016 is €219,996,876.22, or a dividend per share of €83.18, which corresponds to an interim dividend paid at the end of 2015 after a decision made by the Board of Directors on 21 October 2016.

After the income appropriation, retained earnings will amount to €240,928,057.84

### **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.

### **STATEMENT BY STATUTORY AUDITORS AND DISCLOSURE**

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.

# Statutory Auditors' Reports

## **Amundi Finance**

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

For the year ended 31 December 2016

*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

**ERNST & YOUNG et Autres**

1/2, place des Saisons  
92400 Courbevoie – Paris-La Défense 1  
S.A.S. à capital variable

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

For the year ended 31 December 2016

To the Shareholders

**Amundi Finance**

90, boulevard Pasteur  
75015 Paris

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you, for the year ended 31 December 2016, on:

- the audit of the accompanying financial statements of Amundi Finance;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

**I - Opinion on the financial statements**

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 2016 and of the results of its operations for the year then ended in accordance with French accounting principles.

## **II - Justification of our assessments**

In accordance with the requirements of article L.823-9 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you that the assessments we conducted, were mainly focused on the appropriateness of accounting policies used and the reasonableness of significant estimates taken.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

## **III - Specific verifications and information**

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

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 documents addressed to the shareholders with respect to the financial position and the financial statements.

In accordance with French law, we inform you that the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code (*code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, are not disclosed in the management report of the Board of Directors. Based on this work, we are not able to attest the accuracy and fair presentation of this information.

Neuilly-sur-Seine and Paris-La Défense, on march 8, 2017

**The statutory auditors**  
*French original signed by*

**PricewaterhouseCoopers Audit**

**ERNST & YOUNG et Autres**

Emmanuel Benoist

Olivier Drion

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

## **Amundi Finance**

Annual General Meeting to approve the financial statements for the year ended December 31, 2016

### **Statutory auditors' report on related party agreements**

ERNST & YOUNG et Autres

**PricewaterhouseCoopers Audit**  
63, rue de Villiers  
92208 Neuilly-sur-Seine Cedex

Commissaire aux Comptes  
Membre de la compagnie  
régionale de Versailles

**ERNST & YOUNG et Autres**  
1/2, place des Saisons  
92400 Courbevoie - Paris-La Défense 1  
S.A.S. à capital variable

Commissaire aux Comptes  
Membre de la compagnie  
régionale de Versailles

## **Amundi Finance**

Annual General Meeting to approve the financial statements for the year ended December 31, 2016

### **Statutory auditors' report on related party agreements**

To the Shareholders,

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

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

We are also required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*) concerning the implementation, during the year ended December 31, 2016, of the agreements already approved by the Annual General Meeting.

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

### **Agreements submitted for approval by the Annual General Meeting**

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



## Agreements already approved by the Annual General Meeting

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

Neuilly-sur-Seine and Paris-La Défense, March 8, 2017

The Statutory Auditors  
*French original signed by*

PricewaterhouseCoopers Audit

ERNST & YOUNG et Autres

Emmanuel Benoist

Olivier Drion

## **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**

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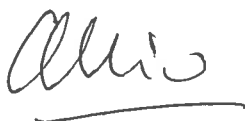
**Declaration by the Chief Executive Officer**

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 3/14/2017



Pierre BOSIO  
Chief Executive Officer

# **Amundi** Finance

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**AMUNDI FINANCE**

Société Anonyme (Public Limited Company) with share capital of €40,320,157

Certified Credit Institution by ACPR

Registered office : 90 boulevard pasteur - 75015 PARIS –

RCS Paris 421 304 601