


AMUNDI FINANCE

Semestrial Financial Report

June 30th 2021

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Activity report as at June 30th 2021

HALF-YEAR REPORT OF THE BOARD OF DIRECTORS OF AMUNDI FINANCE On the financial statements as at 30 June 2021

ACTIVITIES IN THE FIRST HALF

Amundi Finance's main activities are as follows:

- Provision of guarantees to funds and to notes,
- Issuance of notes through its subsidiaries or directly,
- Financial futures and collateralisation.

1. The provision of guarantees to funds

In euros	Commitments 31/12/2020	Commitments 30/06/2021	Change	Change in %
Non-PEA formula-based funds	2,751,437,885	2,414,367,397	-337,070,488	-12%
PEA formula-based funds	4,287,946,107	4,071,372,507	-216,573,600	-5%
Portfolio insurance funds	3,913,208,179	3,345,430,938	-567,777,241	-15%
other guaranteed funds (money market UCIs)	258,010,967	838,135,693	580,124,726	225%
Guaranteed fund total	11,210,603,138	10,669,306,535	-541,296,603	-5%
Amundi Finance Emissions notes	4,679,820,624	4,832,844,087	153,023,463	3%
LCLE notes	7,272,236,725	7,038,599,332	-233,637,393	-3%
Total Notes	11,952,057,349	11,871,443,418	-80,613,930	-1%
Total commitments	23,162,660,487	22,540,749,954	-621,910,533	-3%

Commitment exposure

Guarantee commitments given to the funds were down €541,297k vs. 31 December 2020, including:

- The steep drop in guarantee commitments for Portfolio Insurance Funds (CPPIs) vs. 31 December 2020 (-€567,777k),
- The increase in commitments of other guaranteed funds (+€580,125k) offsets the drop in PEA and non-PEA plan commitments (-€553,644k).

Guarantee commitments on EMTNs issued by Amundi Finance Emissions and LCL Emissions (hedged by a counterguarantee given to Crédit Agricole S.A. and LCL, which are the respective guarantors) were down by €80,614k at 30 June 2021, including:

- EMTNs issued by LCLE and guaranteed by Amundi Finance (-€233,638k),
- EMTNs issued by Amundi Finance Emissions and guaranteed by Amundi Finance (+€153,023k).

Impact on the guarantor activity in H1 2021

There were €776k in guarantee calls during H1 2021 including €485k relating to money market funds for recycling formula funds and issues maturing in funds with capital guarantee over 6 months.

As at 30 June 2021, provisions for guarantee calls were booked for a total amount of €8,326k, principally composed of €6,336k in CPPI stocks benefiting from a max NAV guarantee on Amundi Objectif Retraite 2025 and 2030, as well as €365k in other CPPIs, and €1,625k for recycling formula funds, as the low level of interest rates means that the funds' assets do not ensure the guarantee.

No provision for formula funds was booked at 30 June 2021; from a credit risk perspective, the situation is stable and the probability of guarantee calls is low.

At 30 June 2021, Amundi Finance booked no provisions for notes issued by its subsidiaries.

1. Issuance of notes

In 2021, the subsidiaries dedicated to the "Amundi Finance Emissions" and "LCL Emissions" EMTN activity continued their issuance programme with the Crédit Agricole network for the first and the LCL network for the second for a notional amount of €302M and €1,119M respectively.

As at 30 June 2021, current amounts were €4,038M for Amundi Finance Emissions, €5,361M for LCL Emissions, and €33M for Amundi Finance's direct issues (including €21M for issues transmitted by Amundi Issuance following the merger carried out retroactively on 1 January 2021 and carried out on 21 May 2021).

3. Financial Futures and Collateralisation

Amundi Finance's activity in Financial Futures (interest rate, performance, options, and cross-currency swaps) represented a notional amount of €71,053M at 30 June 2021 (including external counterparties, funds, subsidiaries, and companies of the Amundi group) vs. €71,075M at 31 December 2020.

INCOME STATEMENT AT 30 June 2021

Net Banking Income totalled €101,132k vs. €84,992k at 30 June 2020. This increase was mainly due to the increase in financial NBI, particularly related to dividends received, indemnities for risks related to inflows, as well as a positive change in CVA.

	30/06/2021	31/12/2020	30/06/2020
<i>(in thousands of euros)</i>			
MANAGEMENT NBI	27,434	63,987	36,296
fees and commissions (income)	42,279	99,858	57,442
<i>of which fixed fees on off-balance sheet commitments</i>	15,737	32,560	16,396
<i>of which variable fees on off-balance sheet commitments</i>	9,991	25,667	17,645
<i>of which provisions for guarantee calls</i>	783	14,040	11,215
<i>of which fees on notes</i>	15,768	27,590	12,186
fees and commissions (expenses)	- 14,845	- 35,872	- 21,146
<i>of which fees on off-balance sheet commitments</i>	- 77	- 142	- 82
<i>of which market-making fees</i>	- 432	- 864	- 428
<i>of which management fees</i>	- 21	- 8	- 4
<i>of which expenses for guarantee calls</i>	- 776	- 4,180	- 1,886
<i>of which fees on notes</i>	- 11,053	- 19,742	- 9,096
<i>of which provisions for guarantee calls</i>	- 2,486	- 10,937	- 9,651
FINANCIAL NBI	73,698	70,594	49,634
Interest and similar income	8,089	14,327	6,466
Interest and similar expenses	- 8,511	- 16,502	- 8,262
Gains (losses) on trading book	20,979	30,742	9,402
Gains (losses) on investment portfolio and similar	- 103	302	303
Income from variable-income securities	53,244	41,725	41,725
OTHER NBI		-938	-938
other banking operating income			
other banking operating expenses		-938	-938
NET BANKING INCOME	101,132	133,642	84,992

Management NBI amounted to €27,434k vs. €36,296k at 30 June 2020.

It is made up of the following elements:

- variable income on guarantees of €9,991k vs. 17,645k at 30 June 2020,
- fixed income on guarantees of €15,737k vs. €16,396k at 30 June 2020.
- Income on investment fees from the issue of notes amounted to €15,768k vs. €12,186k in June 2020.
- Reversals of provisions for €783k on recycling funds, CPPY and the “Testaments Obsèques” guarantee fund (in connection with some guarantee calls booked over the period)
- The item fees and commissions (expenses) amounted to -€14,845k vs. -€21,146k at 30 June 2020, mainly comprised of:
 - retrocessions of fees on the EMTN activity totalling -€11,053k vs. -€9,096k at 30 June 2020,
 - market-making fees of -€432k vs. -€428k at 30 June 2020,
 - -€3,262k on recycling funds and CPPY and the “Testament Obsèques” fund, including:
 - - €776k in charges on guarantee calls on recycling funds (maturity) and CPPY (continuous guarantee),
 - -€2,486k in new allocations.

Financial NBI totalled €73,698k, a significant increase from 30 June 2020, mainly comprised of:

- dividends received from its subsidiaries totalling €53,244k (including principally €42,708k from Amundi Intermédiation and €10,536k from Amundi ESR), vs. €41,725k at 30 June 2020 (including €33,067k from Amundi Intermédiation and €8,976k from Amundi ESR),
- Provisions for impairment of securities for €103k (€87k on Dna shares and €16k for LRP),
- net income on issue of swaps, notes, collateral and transaction portfolio activities of +€20,979k, including:
 - +€18,922k (vs. €16,918k at 30 June 2020) corresponding to Commercialisation Risk Compensation (CRC) for these activities,
 - +€517k relating to the value adjustment for counterparty risk on derivatives (CVA),
 - +€1,540k in income from financial futures and carry on securities for all structures.

Other NBI was 0 vs. -€938k at 30 June 2020. This item principally includes the contribution by Amundi Finance to the cost of Crédit Agricole S.A’s obligations in its capacity as reference shareholder.

General operating expenses were slightly down at €4,546k vs. €4,944k at 30 June 2020.

(in thousands of euros)	30/06/2021	31/12/2020	30/06/2020
Personnel expenses			
Wages and salaries	-415	-741	-364
Social security contributions	-155	-302	-128
Incentive and profit-sharing plans	-59	-64	-23
Payroll-related tax	-67	-95	-50
Total personnel expenses	-696	-1,202	-566
Rebilling and transfers of personnel expenses			
Net personnel expenses	-696	-1,202	-566
Administrative expenses			
Taxes other than on income or payroll-related (1)	-1,625	-3,394	-1,656
External services and other administrative expenses	-2,225	-5,411	-2,723
Total administrative expenses	-3,850	-8,806	-4,378
Rebilling and transfers of administrative expenses			
Net administrative expenses	-3,850	-8,806	-4,378
GENERAL OPERATING EXPENSES	-4,546	-10,008	-4,944

(1) including €1,032k for the resolution fund.

- Personnel expenses rose to -€696k at 30 June 2021 vs. -€566 at 30 June 2020, principally comprised of:
 - wages for permanent staff of -€415k, slightly higher than in 2020,
 - staff social security contributions for -€155k.

- External services and other administrative expenses were down at -€2,225k vs. €2,723k at 30 June 2020, principally comprised of:
 - re invoicing by the group for personnel resources provided to Amundi Finance for -€827k,
 - the administrative management agreement for -€776k,
 - IT and database costs of -€220k, mainly relating to the Murex activity,
 - the share of rent and service charges for -€69k,
 - statutory auditors' fees of -€94k.
 - lawyers' fees of €192k for the update of issuer programmes.

- Taxes of -€1,625k include primarily:
 - CVAE (company value-added contribution) for activity in H1 2021 amounting to -€393k,
 - CSSS (company social solidarity contribution) for -€78k,
 - other taxes totalling -€1,153k, comprised of:
 - the contribution to the Single Resolution Fund for -€1,032k,
 - the contribution to the Single Resolution Committee for -€6k,
 - ACPR tax for -€34k,
 - Territorial Authorities Support Fund tax for -€33k,
 - BCE contribution for -€48k.

Gross operating income totalled €96,586k vs. €80,047k at 30 June 2020.

The **cost of risk** was booked as income of €1,102k vs. a charge of €2,176k at 30 June 2020, principally comprised of:

- +€1,215k in write-backs of provisions on interest rate guarantees benefiting from a monetised max NAV guarantee in the event of a fall in interest rates (CPPY guaranteed funds Amundi Objectif Retraite 2025 and 2030);
- -€113k in provisions on ECLs of guaranteed funds.

Operating income and **current pre-tax profit** amounted to €97,688 vs. €77,872k at 30 June 2020.

Corporate income tax amounted to -€12,798 vs. -€11,343k at 30 June 2020.

Net income at 30 June 2021 amounted to +€84,891 vs. +€66,529k at 30 June 2020.

BALANCE SHEET AT 30 June 2021

The balance sheet total was €4,391,706 vs. €4,059,101k at 31 December 2020. It consisted of the following:

Assets (excluding financial futures):

- The item **Treasury bills and similar securities** for €453,980k concerning corporate actions in connection with the EMIR regulation, vs. €456,267k at 31 December 2020.

- The item Loans and receivables due from credit institutions for €569,105k, vs. €433,640k at 31 December 2020, principally comprised of:
 - €566, 841k corresponding to overnight loans linked to collateral activities,
 - €1,000k in long-term loans,
 - €882k in cash.
- Holdings in affiliated companies of €46,249k vs. €48,309k in 2020, including:

SUBSIDIARIES AND EQUITY INVESTMENTS	Currency	% Control at 31/12/2020	Provision 2020	Net book value at 31/12/2020	Increase	Decrease	Gross book value at 30/06/2021	Provision 2021	Net book value at 30/06/2021
AMUNDI ESR	EUR	99.99		34,166,829			34,166,829		34,166,829
AMUNDI INTERMÉDIATION	EUR	38.53		5,628,480			5,628,480		5,628,480
AITS	EUR	NS	3,357	6,803			10,160	3,357	6,803
DNA SA	EUR	100	163,000	2,068,000			2,231,000	250,000	1,981,000
LRP	EUR	100		31,000			31,000	16,000	15,000
Amundi Finance Emissions	EUR	99.99		2,225,684			2,225,684		2,225,684
LCL Emissions	EUR	99.99		2,225,186			2,225,186		2,225,186
AMUNDI ISSUANCE	EUR	99.99	43,000	1,956,993		-1,956,993			0
TOTAL			209,357	48,308,975	0	-1,956,993	46,518,339	269,357	46,248,982

- Bonds and other fixed-income securities totalled €678,269k vs. €910,273k at 31 December 2020. This position corresponds primarily to the carry on bonds issued by the subsidiaries Amundi Finance Emissions and LCL Emissions, and by Crédit Agricole S.A. before repurchase for destruction by these issuing companies.
- Equities and other variable-income securities presented a balance of €300,346k at 30 June 2021, as at 31 December 2020.
- The item Intangible assets for €227,424k corresponds to business assets.
- The item Other assets (excluding financial futures) amounted to €701,846 vs. €329,142k at 31 December 2020. This includes primarily:
 - Security deposits paid as part of the collateral activity for €387,708k vs. €250,340k at 31 December 2020,
 - Securities settlement accounts for carry and options for €269,417k,
 - Interim payments of corporate income tax for €11,487k vs. €41,570k at 31 December 2020,
 - Trade receivables of €4,655k vs. €313k at 31 December 2020.
- The item Prepayments and accrued income (excluding financial futures) amounted to €40,940k vs. €47,761k at 31 December 2020. They are mainly made up of income receivable on off-balance sheet commitments (guarantee funds and EMTNs) in line with the collection of revenues: variable guarantee commissions 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.

Investment fees, repurchase compensation and guarantee commissions on EMTN issuances are collected on a quarterly basis.

Liabilities (excluding financial futures):

- The item Liabilities due to credit institutions for €1,140,954k vs. €1,193,849k at 31 December 2020, including:
 - €704,100k in overnight loans to the group's treasury office vs. €757,700k at end-2020,
 - €436,000k in term loans corresponding to the financing of activities relating to the EMIR regulation, applicable since 2017, the same amount as at 31 December 2020.
- Debt securities for €32,552k corresponding to EMTN issuance programmes by Amundi Finance (including €20,538k following the merger of its subsidiary Amundi Issuance on 26 May 2021).
- The item Other liabilities (excluding financial futures) for €963,373k (€679,146k at 31 December 2020) principally records security deposits received in relation to the collateral activity for €919,969k and the provision for corporate income tax for €12,802k.
- Accrual accounts (excluding financial futures) at €16,435k vs. €12,967k in 2020 is broken down as follows:
 - €7,144k in deferred income representing the extension of Commercialisation Risk Compensation (CRC) on marketed structures such as formula funds, EMTNs by Amundi Finance Emissions, EMTNs by LCL Emissions, and UCO structures.
 - €9,291k in accrued expenses, including:
 - €4,980k in retrocessions on investment fees,
 - €3,613k in operating expenses, including principally €1,533k in re-invoicing by the group for resources, €827k in personnel provided for the 2021 financial year, €219k in IT expenses, as well as accrued expenses for STOXX and MSCI for €610k relating to the use of indices in the group's EMTN structures,
 - €432k in market-making fees on structures such as CA Oblig Immo.

Financial futures:

- The activity shows a liability of €77,716k vs. €55,179k at 31 December 2020, and is principally comprised of:
 - €5,682k on the downturn in the value of financial instruments with respect to the counterparty risk on derivatives (CVA) vs. €6,199k in 2020,
 - €204,689k on the position on options vs. €144,095k at 31 December 2020,
 - -€151,161k relating to the valuation of financial futures vs. -€115,855k at 31 December 2020,
 - €18,506k with respect to hedging positions vs. €20,740k at 31 December 2020.
- Provisions for liabilities and charges of €13,222k vs. €12,622k in 2020, including:
 - €4,302k in provisions for the “*Testaments Obsèques*” guarantee fund,
 - €1,625k in provisions for recycling funds,
 - €7,208k of provisions for risks on the fund guarantee activity (including ECLs on guaranteed funds) and issuance vehicles,
- The item Subordinated debt was stable at €100,610k; this corresponds to the perpetual subordinated debt and its related debts, intended to increase the company’s equity.
- Amundi Finance’s shareholders’ equity underwent the following changes:

(in thousands of euros)	Capital	Premiums, reserves and retained earnings	Interim dividends	Regulated provisions and investment subsidies	Net income	Total shareholders’ equity
Balance at 31 December 2020	40,320	548,082			98,973	687,375
Dividends paid for 2020		-98,970				-98,970
Change in share capital						
Change in share premiums and reserves						
Appropriation of company income		98,973			-98,973	
Retained earnings						
Profit for financial year 2021					84,891	84,891
Other changes						
Balance at 30 June 2021	40,320	548,085			84,891	673,296

OFF-BALANCE SHEET COMMITMENTS AT 30 June 2021

At 30 June 2021, financial futures (FFIs) were booked for a notional amount of €71,053M vs. €71,075M at 31 December 2020.

FFI overview

Notional in millions of euro	30/06/2021	31/12/2020
FFIs Collateral	34,968	35,601
FFIs Notes with margin	11	12
FFIs Asset Swap Forward	712	947
FFIs EMTN CASA network	12,752	11,961
FFIs EMTN Crelan network	99	148
FFIs EMTN LCL network	21,551	21,488
FFIs EMTN Other networks	512	471
FFIs EMTN AMUNDI FINANCE network	12	12
FFIs Collateral Securities Hedging	436	436
TOTAL	71,053	71,075

The item Guarantee commitments given amounted to €22,541M vs. €23,163M at 31 December 2020.

The item Assets given as collateral amounted to €399M at 30 June 2021 vs. €381M at 31 December 2020, and corresponds to the Securities Collateral given to the market counterparty in the framework of the EMIR regulation.

The item Assets received as collateral amounted to €1,658M at 30 June 2020 vs. €1,465M at 31 December 2020, and corresponds to the Securities Collateral received from funds and market counterparties in the framework of the EMIR regulation.

DEVELOPMENT OUTLOOK

Since the beginning of 2021, market conditions and activity have been good. This trend is expected to continue until the end of 2021 leading to a stabilisation of guaranteed assets under management, unless a 4th wave of the pandemic triggers new lockdown measures. These lockdown measures would then lead to a probable slowdown in activity due to the impact of the lockdown on consumption and the lack of confidence in economic agents, as well as production difficulties, disruptions to supply chains in some sectors, and a slowdown in investment. This would result in a marked downturn in growth that would be reflected in a significant drop in financial markets and increased volatility. For Amundi Finance, the main

impact would result from the sensitivity of balance sheet assets and liabilities to this decline in the financial markets. The negative impact on Amundi AM's income, results and financial position is impossible to measure at this stage.

RISK FACTORS RELATED TO AMUNDI FINANCE

Credit and counterparty risks

Amundi Finance is exposed to credit and counterparty risks likely to have a material adverse effect on its business, financial position, and results.

Amundi offers a range of guaranteed and formula-based (structured) products. These products include funds that are partially or fully guaranteed or have guaranteed returns. Amundi Finance provides guarantees to these funds and is therefore subject to a number of risks associated with this activity. In particular, should the issuer of any of the assets held by the funds guaranteed by Amundi Finance default or enter into insolvency or similar proceedings, Amundi Finance would incur significant costs to replace these assets and fulfil its obligations as guarantor. Such guaranteed funds can also enter into various derivatives with large banking counterparties. Such transactions expose Amundi Finance to counterparty risk. Should any counterparty default or enter into insolvency or similar proceedings, Amundi Finance would incur substantial costs to replace the transactions and fulfil its obligations as guarantor.

Amundi Finance is also subject to counterparty risk: if one or more financial institutions were to default or to enter into insolvency or similar proceedings, Amundi Finance would have to unwind such transactions and look for other counterparties to enter into new transactions. Amundi Finance systematically covers its exposure to market risk with respect to the performance guaranteed to investors in equities and structured notes by entering into derivative transactions with internationally recognised financial institutions. Although transactions on derivatives are secured by collateral, Amundi Finance is nonetheless subject to a number of risks in connection with these transactions. There can be no assurance that Amundi Finance would be able to enter into replacement hedging transactions exactly at the same price or with the same terms, particularly if the default or insolvency were to result in sharp movements in financial markets.

Amundi Issuance also uses net income from issuing securities to fund its ordinary operations and hedge its obligations with respect to the securities issued. Accordingly, it uses all or part of the income from issuing securities to acquire assets including but not limited to one or more transferable securities or one or more custody agreements or one or more swaps ("**Hedging Contracts**"). The counterparty may be a bank, financial institution, industrial or commercial enterprise, government or government entity or fund. Amundi Issuance's ability to honour its commitments for the securities issued therefore depends on the receipt of payments owed to it with respect to hedging contracts. This risk also includes the settlement risk inherent in any transaction involving payment in cash or the delivery of assets outside of a secure settlement system.

As of 30 June 2021, assets weighted for credit and counterparty risk totalled €2.50bn.

Market and liquidity risk

The fluctuation and volatility of financial markets can have a significant adverse effect on Amundi Finance's business.

With respect to the guarantee provided by Amundi Finance on guaranteed funds, Amundi Finance may enter into derivative transactions before knowing the exact amount of investors' subscription orders, thus exposing Amundi Finance to market risk. If the final amount is lower than expected, Amundi Finance might incur financial costs in unwinding the excess position.

Amundi Finance depends on its access to financing and other sources of liquidity, which may be limited for reasons beyond its control and could have a significant adverse effect on its earnings.

If the value of the derivatives changes significantly, Amundi Finance may be required to provide collateral to its counterparties, exposing Amundi Finance to liquidity risk.

Operational risks and related risks

- ***Regulatory risk***

Amundi Issuance is subject to a regulatory and environmental framework in France and in other countries in which it operates, i.e. currently only in Austria. Changes to the regulatory and environmental framework could have a significant adverse effect on its business and results.

Amundi Finance is a credit institution governed by all applicable legislative and regulatory provisions and its statutes. Amundi Finance did not issue any securities during H1 2021.

Banking regulations are constantly evolving, and regulatory reforms may reduce the attractiveness of Amundi products for its banking and insurance clients, and change the solvency and liquidity treatment of such products on their balance sheet. All banking reforms that modify the regulatory rules applicable to Amundi Finance's transactions and products may have a material adverse effect on Amundi Finance's revenues, results, and financial conditions.

Also, Amundi Finance's ability to develop its businesses or to carry out certain existing activities may be limited by new regulatory and systemic requirements, including constraints imposed in response to a global financial crisis such as the 2008 financial crisis, or by political and economic uncertainties such as those generated by Brexit.

Amundi Finance's businesses and income may also be affected by the policies or actions of the various regulatory bodies in France or in other countries where it operates. The nature and impact of these changes cannot be foreseen and may be outside Amundi Finance's control. Since its creation, changes to the regulatory and environmental framework to which Amundi Finance is subject have had no adverse impact on its activity or results.

- ***Operational risks***

Operational risks arise mainly from the inadequacy or failure of processes, systems or persons responsible for processing transactions, as well as risks associated with external events. They could have a negative impact on Amundi Finance's results.

Amundi Finance is exposed to operational risks associated with the implementation and management of guaranteed and structured funds. Should the assets or off-balance sheet transactions turn out to be inadequately correlated with the guaranteed performance due to the investors, Amundi Finance as guarantor could suffer significant financial losses.

In addition, the valuation of Amundi's derivatives may not accurately reflect the conditions under which it would be able to enter into similar transactions in the market. As a result, the amount of collateral provided by counterparties might not be sufficient to cover Amundi's full counterparty risk.

Furthermore, Amundi Finance is exposed to the risk of operational malfunctions of its communication and IT systems. Any outage, interruption or security breach affecting these systems could lead to breakdowns or interruptions in its client relationship and service management systems. Amundi Finance cannot guarantee that such outages or interruptions will not occur or, if they do occur, that they will be adequately addressed. The consequences of an operational malfunction or a human error, even if brief and temporary, could lead to significant disruptions in the business of Amundi Finance. Amundi Finance has not experienced any operational incident that could have a negative impact on its results since its creation.

- ***Non-compliance and legal risks***

The risks of non-compliance with the regulatory and legal provisions governing its activities, and the reputational risks that could arise from non-compliance with its regulatory or legal obligations, or with professional and ethical standards, could have an adverse impact on Amundi Finance's results and business opportunities.

In view of its activity which consists in borrowing and raising capital, Amundi Finance is exposed to the risk of litigation with investors, civil or criminal proceedings, administrative proceedings, regulatory actions or other disputes. Plaintiffs in such actions may seek recovery of substantial or indeterminate amounts or other corrective measures which may affect Amundi Finance's ability to conduct its business, and the extent of the potential losses associated with such actions may remain unknown for a substantial period of time.

The cost of defending future lawsuits can be significant. There may also be negative publicity associated with litigation, which could reduce investors' desire to use the services of Amundi Finance, whether or not the allegations are justified or whether Amundi Finance is ultimately found liable. The occurrence of such a risk could result in impairment losses, or damage to the reputation of Amundi Finance. However, since its creation, Amundi Finance has never been exposed to any litigation with an investor that could have an adverse impact on its results and business prospects.

As at 30 June 2021, assets weighted for operational and related risks amounted to €0.26bn.

Risks related to the environment in which AMUNDI ISSUANCE operates

Amundi Issuance could be negatively affected by the consequences of the COVID-19 pandemic.

In 2020, the COVID-19 pandemic triggered an unprecedented and intense crisis. This health crisis has transformed into an economic crisis, leading to a decline in the financial markets and an increase in volatility. This fall on the financial markets had a negative effect on Amundi Finance's financial results and an impact resulting from the sensitivity of balance sheet assets and liabilities. Thus, the amount in guarantees received, net of collateral calls, dropped 24% to €50.7M.

In the first half of 2021, as the financial markets rose, the COVID-19 pandemic had no negative impact on Amundi Finance's financial results or any impact resulting from the sensitivity of the assets and liabilities on the balance sheet.

Nevertheless, the risk of the health crisis remains with the spread of COVID-19 variants. As a result, uncertainty remains about the trend in the unemployment rate, the use of accumulated savings, the health scenario and the schedule for the roll-out and then the withdrawal of public measures, and more generally on the consequences of the changes in economic activity.

The potential negative impact of the COVID-19 pandemic on Amundi Finance's revenues, results and financial position in the second half of 2021 is not measurable at this stage.

02

Financial statements as at June 30th 2021

**AMUNDI FINANCE
INDIVIDUAL FINANCIAL STATEMENTS
AT 30/06/2021**

**Approved by the Board of Directors of *AMUNDI FINANCE*
on 27/07/2021**

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AMUNDI FINANCE
INDIVIDUAL FINANCIAL STATEMENTS AT 30/06/2021

BALANCE SHEET AT 30 June 2021

ASSETS

(in thousands of euros)	Notes	30/06/2021	31/12/2020
Interbank and similar transactions		1,023,085	889,907
Cash, central banks			
Treasury bills and similar securities	5	453,980	456,267
Loans and receivables due from credit institutions	3	569,105	433,640
Customer transactions	4		
Securities transactions		978,616	1,210,620
Bonds and other fixed-income securities	5	678,269	910,273
Equities and other variable-income securities	5	300,346	300,346
Fixed assets		273,673	275,733
Equity investments and other long-term securities holdings	6-7		
Shares in affiliated companies	6-7	46,249	48,309
Intangible assets	7	227,424	227,424
Property, plant and equipment	7		
Unpaid subscribed capital			
Treasury shares	8		
Accruals, prepayments and sundry assets		2,116,332	1,682,842
Other assets	9	2,075,342	1,634,966
Accruals	9	40,990	47,876
TOTAL ASSETS		4,391,706	4,059,101

EQUITY & LIABILITIES

(in thousands of euros)	Notes	30/06/2021	31/12/2020
Interbank and similar transactions		1,140,954	1,193,849
Due to central banks			
Due to credit institutions	11	1,140,954	1,193,849
Customer deposits	12		
Debt securities	13	32,552	12,015
Accruals, deferred income and sundry liabilities		2,431,071	2,053,231
Other liabilities	14	1,869,163	1,768,466
Accruals	14	561,908	284,765
Provisions and subordinated debt		113,832	112,632
Provisions	15-16-17	13,222	12,622
Subordinated debt	19	100,610	100,010
Fund for general banking risks (FGBR)	18		
Shareholders' equity excluding FGBR:	20	673,296	687,375
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		326,158	326,155
Profit (Loss) pending approval / interim dividends			
Income for the period		84,891	98,973
TOTAL EQUITY & LIABILITIES		4,391,706	4,059,101

OFF-BALANCE SHEET

(in thousands of euros)	Notes	30/06/2021	31/12/2020
COMMITMENTS GIVEN			
Financing commitments	26		
Guarantee commitments	26	22,540,750	23,162,660
Securities commitments	26		

(in thousands of euros)		30/06/2021	31/12/2020
COMMITMENTS RECEIVED			
Financing commitments	26		
Guarantee commitments	26		
Securities commitments	26		

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

- Transactions on financial futures: note 25
- Assets given and received as collateral: note 26.1

INCOME STATEMENT AT 30 June 2021

(in thousands of euros)	Notes	30/06/2021	31/12/2020	30/06/2020
Interest and similar income	28-29	8,089	14,327	6,466
Interest and similar expenses	28	-8,511	-16,502	-8,262
Income from variable-income securities	29	53,244	41,725	41,725
Fees and commissions (income)	30	42,279	99,858	57,442
Fees and commissions (expenses)	30	-14,845	-35,872	-21,146
Gains (losses) on trading book	31	20,979	30,742	9,402
Gains (losses) on short-term investment portfolios and similar	32	-103	302	303
Other banking income	33			
Other banking operating expenses	33		-938	-938
Net banking income		101,132	133,642	84,992
General operating expenses	34	-4,546	-10,008	-4,944
Allocations to depreciation and amortisation of property, plant and equipment, and intangible assets				
Gross operating income		96,586	123,633	80,047
Cost of risk	35	1,102	-351	-2,176
Operating income		97,688	123,283	77,872
Net income on fixed assets	36			
Earnings before taxes and extraordinary items		97,688	123,283	77,872
Net extraordinary items				
Corporate income tax	37	-12,798	-24,310	-11,343
Net allocation to FGBR and regulated provisions				
Net income		84,891	98,973	66,529

CASH FLOW STATEMENT AT 30 June 2021

(in thousands of euros)	30/06/2021	31/12/2020	30/06/2020
Profit (loss) before taxes	97,689	123,283	77,872
Net depreciation and provisions for property, plant and equipment			
Impairment of goodwill			
Net allocation to impairments	600	-3,746	-407
Share of earnings of equity-method companies			
Net loss/gain of investment activities			
Income/expenses of financing activities	600	1,190	590
Other movements	10,289	-2,414	-2,379
Total non-monetary items included in the profit (loss) before tax and other adjustments	11,489	-4,970	-2,195
Flows related to transactions with credit institutions	-58	49,866	5
Flows relating to transactions with customers			
Flows relating to other transactions affecting financial assets or liabilities	280,023	-135,914	694,677
Flows relating to transactions affecting non-financial assets or liabilities	-109,745	-115,922	-1,184,908
Dividends received from equity-method companies			
Taxes paid	5,813	-52,771	-31,986
Net decrease/(increase) in assets and liabilities from operating activities	176,033	-254,740	-522,212
TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	285,211	-136,427	-446,536
Flows relating to investments	2,060	1,393	-318
Flows relating to property, plant and equipment and intangible fixed assets			
TOTAL NET CASH FLOWS FROM INVESTMENT OPERATIONS (B)	2,060	1,393	-318
cash flows from or to shareholders	-98,970	-139,462	-139,462
Other net cash flows from financing activities		-1,193	
TOTAL NET CASH FLOWS FROM FINANCING OPERATIONS (C)	-98,970	-140,655	-139,462
Effect of exchange rate changes and other changes on cash and cash equivalents (D)			
Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	188,302	-275,690	-586,316
Cash and cash equivalents at beginning of period	-325,530	-49,840	-49,840
Net cash accounts and accounts with central banks			
Net demand loans and deposits with credit institutions	-325,530	-49,840	-49,840
Cash and cash equivalents at end of period	-137,228	-325,530	-636,156
Net cash accounts and accounts with central banks			
Net demand loans and deposits with credit institutions	-137,228	-325,530	-636,156
CHANGE IN NET CASH AND CASH EQUIVALENTS	188,302	-275,690	-586,316

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 30 June 2021. It is divided into 2,644,829 shares, each with a par value of €15.24.

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

Ownership of the company:

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

These notes are an integral part of Amundi Finance's interim financial statements for the period ended 30 June 2021. They are expressed in thousands of euros ("€K").

The balance sheet total before appropriation in these financial statements is €4,391,706k.

Net banking income (NBI) in these financial statements is €101,132k.

Net income for the period is €84,891k (€84,890,748.44).

1.2 Significant events relating to the financial year 2021

2021 began in the context of the health crisis linked to the coronavirus pandemic. This unprecedented health crisis, which has led to a decline in financial markets and increased volatility, is still affecting all global economic and financial activities.

Nevertheless, Amundi Finance continues to stand up to the crisis, with the company's normal operations ensured by the robustness of its IT platform, the effectiveness of its Business Continuity Plans, and the rapid deployment of remote working, with the objective of protecting employee health and maintaining a high level of operational efficiency for customers. The extent and duration of this crisis remain difficult to predict today.

Following an internal restructuring operation, designed to simplify the Group's structure and to improve economic efficiency, Amundi Finance merged with its wholly owned subsidiary Amundi Issuance on 21 May 2021. The share capital of Amundi Issuance amounted to €2,000k at 31 December 2020.

1.3 Events subsequent to the interim situation at 30 June 2021

There were no events subsequent to the interim situation at 30 June 2021.

NOTE 2 ACCOUNTING POLICIES AND PRINCIPLES

The presentation of the financial statements of Amundi Finance is consistent with the provisions of regulation ANC 2014-07 of 26 November 2014, which, starting with financial years opening on or after 1 January 2015, brings together all of the accounting standards on the basis of established law applicable to credit institutions.

2.1 Loans and receivables and signed commitments

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

They are broken down according to their initial duration or the nature of the credit facilities:

- Demand loans and term loans for credit institutions;
- Ordinary accounts and term deposits and advances for the internal transactions of the Amundi Group;
- Trade receivables, other loans and ordinary accounts for customers.

In accordance with the regulatory provisions, the customer section also contains transactions completed with financial customers.

Subordinated loans as well as repo transactions (represented by stocks or securities) are included under the various receivables headings according to the nature of the counterparty (interbank, Crédit Agricole, customers).

Receivables are stated on the balance sheet at their nominal value.

Pursuant to Article 2131-1 of ANC Regulation 2014-03 of 26 November 2014, commissions received and marginal transaction costs incurred are spread out over the effective lifespan of the loan and are therefore incorporated into the outstanding loan in question.

Accrued interest on receivables is recorded in the income statement.

Signed commitments recognised in the off-balance sheet section correspond to irrevocable cash loan commitments and guarantee commitments that have not resulted in movements of funds.

Application of ANC regulation 2014-03 of 26 November 2014 has led the entity to recognise receivables posing a risk of default in accordance with the rules defined in the following paragraphs.

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

Loans and receivables and signed commitments are broken down into healthy debt and doubtful debt.

Healthy loans and receivables

As long as loans and receivables have not been classified as doubtful, they are considered healthy and remain under the original item.

Provisions for credit risk on healthy debt

Furthermore, Amundi Finance also recognises credit losses expected within the next 12 months (healthy receivables) and/or over the lifespan of the financial instrument when the credit quality of the receivable has deteriorated significantly (degraded receivables) as early as the initial recognition of the financial instruments, without having to wait for the debt to become doubtful.

Allocations and reversals of provisions for credit risk on healthy debt are recognised in risk cost.

These provisions are determined as part of a special monitoring process and are based on estimates that reflect changes in the credit risk level at the initial recognition date and the closing date.

Doubtful loans and receivables

These are receivables of all kinds, even when backed by guarantees, with a demonstrated credit risk corresponding to one of the following situations:

- There are one or more unpaid instalments within the past year, at least,
- The counterparty's situation suggests the existence of a demonstrated risk, independent of the existence of any arrears,
- There are disputes between the establishment and its counterparty.

Among doubtful debts, Amundi Finance distinguishes between comprised doubtful debts and uncompromised doubtful debts.

Uncompromised doubtful loans and receivables:

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Uncompromised doubtful loans and receivables are doubtful loans and receivables that do not meet the definition of compromised doubtful loans and receivables.

Compromised doubtful loans and receivables:

These are doubtful loans and receivables whose probability of recovery is significantly degraded and for which a future write-off is considered.

For doubtful loans and receivables, interest continues to be recognised as long as the receivable is considered an uncompromised doubtful debt. It stops when the debt becomes compromised.

The classification of doubtful debts may be abandoned when the demonstrated credit risk has definitively disappeared and regular payments have resumed for amounts corresponding to the original contractual instalments. In this case, the outstanding is again listed as a healthy outstanding.

Impairment for credit risk on doubtful debt

When a debt is considered doubtful, Amundi Finance takes into account the probable loss by an impairment deducted from the assets of the balance sheet. These write-downs correspond to the difference between the book value of the receivable and the estimated future cash flows, discounted at the contractual rate, taking into account the financial situation of the counterparty, its economic outlook, as well as any guarantees, less their realisation costs.

Probable losses associated with off-balance sheet commitments are taken into account through provisions recognised in the liabilities section of the balance sheet.

Accounting treatment of impairment

Impairment allocations and reversals for risk of non-recovery on doubtful loans and receivables are recognised in cost of risk.

In accordance with Article 2231-3 of ANC regulation 2014-07, the Group has decided to recognise the increase in book value related to the reversal of the impairment as a result of the passage of time in risk cost.

Write-off

The assessment of the period until write-off is based on the judgement of experts. Amundi Finance makes this decision with its Risk Division based on its knowledge of its activity.

Receivables that have become non-recoverable are recognised as losses, and the corresponding impairment is reversed.

2.2 Securities portfolio

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

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

They are classified in the portfolios provided for by the regulations (transaction, placement, investment, portfolio activity, other long-term securities, participation) depending on the initial intention for holding securities identified in the accounting information system as from their acquisition.

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.

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Securities acquired or sold as part of specialised management of a trading book including financial futures, securities or other financial instruments that are managed together are also considered to be trading securities.

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

They are valued on the basis of their market value on the reporting date.

The resulting net income, along with net income on the sale of securities, is recognised on the income statement under “gains (losses) on trading securities transactions”.

Short-term investment securities

These are securities that are not classified as trading securities, investment securities, other long-term securities, equity securities, or investments in affiliated companies.

Bonds and other fixed-income securities

These securities are recorded at purchase price, including the coupon accrued at purchase. The difference between the purchase price and the redemption value is staggered on an actuarial basis over the remaining life of the security.

Revenues are recognised on the income statement under “Interest and similar income on bonds and other fixed-income securities”.

Equities and other variable-income securities

Equities are recorded on the balance sheet at their purchase price, including acquisition expenses. Income from dividends associated with equities are recognised in the “Income from variable-income securities” section of the income statement.

Income from SICAVs and mutual funds are recognised at the time of collection in the same section.

At year-end, short-term investment securities 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, without set-off with capital gains earned on other categories of securities. Hedging gains under Article 2514-1 of ANC regulation 2014-7 of 26 November 2014 in the form of purchases or sales of forward financial instruments are taken into account when calculating impairments. Potential capital gains are not recorded.

Sales of securities are considered to relate to securities of the same nature subscribed on the earliest date.

Impairment allocations and reversals as well as gains or losses from disposal of short-term investment securities are recognised in “balance of short-term investment portfolios and similar transactions” of the income statement.

Shares in affiliated companies, participating interests and other long-term securities holdings

- Shares in affiliated undertakings are shares in exclusively controlled undertakings that are, or may be, fully consolidated in the same group.
- Participating interests are investments (other than investments in an affiliated company), 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 investments made 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.

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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 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 economic 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.

Impairment allocations and reversals as well as gains or losses from disposal relating to these securities are recognised in "balance of short-term investment portfolios and similar transactions" of the income statement.

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 Finance 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 Finance 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.

Reclassification of securities

In accordance with Articles 2381-1 to 2381-5 (Title 3 Booking transactions in securities of Book II Special transactions) of ANC regulation 2014-07 of 26 November 2014, the following securities may be reclassified:

- reclassification of trading portfolios as investment portfolios or short-term investment portfolios in case of exceptional market situations or for fixed-income securities when they can no longer be traded on an active market and if the establishment intends and is able to hold them for the foreseeable future or until maturity.
- reclassification of short-term investment portfolios as investment portfolios in the case of exceptional market situations or for fixed-income securities when they can no longer be traded on an active market.

In 2021, AMUNDI FINANCE did not reclassify any security under ANC regulation 2014-07 of 26 November 2014.

2.3 Fixed assets

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

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

ANC regulation no. 2015-06 modifies the recognition in the balance sheet of technical losses on merger as well as their reporting in the financial statements. The loss should no longer be globally and systematically recognised under "Goodwill"; it should be recognised in the balance sheet according to the asset items to which it is allocated, in "other property, plant and equipment, intangible assets, financial assets, etc.).". The loss is amortised, written down or removed from the balance sheet in the same manner as the underlying asset.

When Amundi Asset Management contributed to its guarantee activity in 2004, Amundi Finance booked business capital valued at €227,424k. This business capital was not subject to depreciation.

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".

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

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 assets are not amortised.

If applicable, they can be impaired.

Fixed assets are depreciated over their estimated useful lives.

The following components and depreciation periods were applied by Amundi Finance 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:

Component	Period of depreciation
Technical installations and fixtures	5 years
IT equipment	3 years

2.4 Liabilities due to credit institutions and customers

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

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

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

2.5 Debt securities

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

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

Share premiums and redemption premiums of bond issues are amortised over the lifespan of the bonds in question, and the corresponding expense is recognised in the section "Interest and similar expenses on bonds and other fixed-income securities".

2.6 Provisions

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

In particular, these 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.

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2.7 Derivatives transactions

Hedging and market transactions on forward interest rate, exchange or equities instruments are recognised in accordance with the provisions of Title 5 Forward Financial Instruments of Book II of Special transactions of ANC Regulation 2014-07 of 26 November 2014.

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.

As at 30 June 2021, forward financial commitments totalled €71,053,378k.

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 were recorded on the income statement under "Net gains (losses) on trading book" for a net amount representing income of €20,978,685.38, including €18,921,986.10 in funding risk indemnities related to the launch of new funds and EMTNs.

The profit (losses) associated with these transactions are recognised according to the nature of the instrument and the strategy followed:

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 or similar market, traded over the counter, or included in a trading portfolio – under the terms of ANC Regulation 2014-07.

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

If the instruments are measured at market value, this value is determined:

- using available prices if there is an active market;
- using internal valuation methods and models if there is no active market.

For instruments:

- in isolated open position traded on organised markets or similar markets, all gains and losses (whether realised or unrealised) are recognised;
- in isolated open position traded on over-the-counter markets, only unrealised losses are recognised by funding a provision. Realised capital gains and losses are recognised in the income statement at the time of settlement;
- when part of a trading portfolio, all gains and losses (whether realised or unrealised) are recognised

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.

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,

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only derivatives booked in isolated open positions or in trading portfolios (derivatives classified according to categories “A” and “D” of Article 2522-1 of the aforementioned regulation) are calculated on a CVA basis.

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 given default.

The methodology used maximises the use of observable entry data.

It is based on:

- Firstly, market parameters, 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.

Complex transactions

A complex transaction is defined as a synthetic combination of instruments (of identical or different types, natures and valuation methods) recognised in a single lot or as a transaction that does not fall under an explicit accounting regulation and involves a choice of principle on the part of the establishment.

The income and expenses relating to instruments traded as part of complex transactions, including structured bond issues, are recognised on the income statement symmetrically with the accounting of the income and expenses on the hedged item. Thus, changes in the value of hedging instruments are not recognised on the balance sheet.

2.8 Transactions in foreign currencies

Assets and liabilities in foreign currencies are converted at the end-of-period exchange rate. Gains and losses resulting from these conversions, as well as realised exchange rate differences on the transactions of the period, are recognised in the income statement.

Monetary receivables and payables, as well as forward currency contracts recognised in the off-balance sheet commitments section and denominated in foreign currencies, are converted at the market price in force as at the closing date or at the market price noted at the nearest available date.

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 that it can track its currency position and measure its exposure to this risk.

2.9 Off-balance sheet commitments

Off-balance sheet items track, in particular, the unused portion of financing commitments and guarantee commitments given and received.

As applicable, provisions are allocated for commitments given when there is a probability of a loss for Amundi Finance.

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 customers (based on the calculation methods listed below).

At 30 June 2021, these guarantees given as well as guarantees granted directly totalled €22,540,750k.

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Off-balance sheet commitments for publication do not include commitments on forward financial instruments or foreign exchange transactions.

These items are however detailed in notes 26 and 26.1.

2.10 Employee profit-sharing and incentive plans

Some group companies have formed an Economic and Social Unit (UES) (Amundi, Amundi AM, Amundi ITS, Amundi Finance, Amundi ESR, Amundi Immobilier, Amundi Intermédiation, Amundi Private Equity Funds, Etoile Gestion, BFT IM, Société Générale Gestion, CPR AM, and Amundi Transition Energétique). Agreements on employee profit sharing and incentive plans have been signed within this framework.

Profit sharing and incentive plans are recognised under personnel expenses.

Employees assigned (“seconded”) by Crédit Agricole S.A. operate under agreements signed as part of that entity’s UES. The estimated accrued expense for profit sharing and incentive plans allocated within this framework has been recognised in the financial statements.

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

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 pension schemes is recorded in “Employee expenses”.

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

Starting 1 January 2013, Amundi Finance has applied Recommendation 2013-02 of the French Accounting Standards Authority of 7 November 2013 relating to the rules for booking and assessing pension obligations and similar benefits, recommendation repealed and included in Section 4, 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.

As at 30 June 2021, these commitments were valued at €207k and provisions amounted to €87k.

The sensitivity rates (at 31 December 2020) demonstrate that:

- a 50 bp increase in discount rates would reduce the commitment by 10.49%.
- a 50 bp drop in discount rates would increase the commitment by 9.41%.

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

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

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2.12 Extraordinary expenses and income

They represent expense and income item arising on an extraordinary basis that relate to transactions that are not a part of Amundi Finance's day-to-day activities.

2.13 Corporate income tax

In general, only the current tax liability is recognised in the individual financial statements.

The tax charge appearing in the income statement is the corporation 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 "Corporate income tax" 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.

NOTE 3 LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS - ANALYSIS BY REMAINING MATURITY

(in thousands of euros)	30/06/2021						31/12/2020
	<3 months	>3 months <1 year	>1 year <5 years	>5 years	Total principal	Accrued interest	Total
Credit institutions							
Accounts and loans:							
- demand	567,723				567,723		432,309
- term			1,000		1,000	382	1,331
Securities received under repurchase agreements							
Securities bought under repurchase agreements							
Subordinated loans							
Total	567,723		1,000		568,723	382	433,640
Impairment							
NET CARRYING AMOUNT	567,723		1,000		568,723	382	433,640
Ordinary accounts							
Term deposits and advances							
Total							
Impairment							
NET CARRYING AMOUNT							
TOTAL	567,723		1,000		568,723	382	433,640

NOTE 4 CUSTOMER TRANSACTIONS

None

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Notes to the half-year financial statements – 30 June 2021

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

(in thousands of euros)	30/06/2021				31/12/2020	
	Transaction	Investment	Portfolio securities	Investment	Total	Total
Treasury bills and similar securities:		451,901			451,901	454,558
· o/w residual net premium		15,901			15,901	18,558
· o/w residual net discount						
Accrued interest		2,078			2,078	1,709
Impairment						
Net carrying amount		453,980			453,980	456,267
Bonds and other fixed income securities:	645,980	32,276			678,256	910,268
Issued by public bodies						
Other issuers	645,980	32,276			678,256	910,268
· o/w residual net premium						
· o/w residual net discount						
Accrued interest		14			14	6
Impairment						
Net carrying amount	645,980	32,290			678,269	910,273
Equities and other variable-income securities		300,346			300,346	300,346
Accrued interest						
Impairment						
Net carrying amount		300,346			300,346	300,346
Total	645,980	786,616			1,432,595	1,666,887
Estimated values	645,980	786,616			1,432,595	1,666,887

NOTE 5.1 TRADING, SHORT-TERM INVESTMENT, LONG-TERM INVESTMENT AND PORTFOLIO SECURITIES (including treasury bills): BREAKDOWN BY MAJOR CATEGORY OF COUNTERPARTY

(in thousands of euros)	Net assets 30/06/2021	Net assets 31/12/2020
Governments and central banks (including central governments)		
Credit institutions	117,879	42,494
Financial companies	860,722	1,168,120
Local authorities		
Corporates, insurers and other clients		
Other and non-allocated		
Total principal	978,602	1,210,614
Accrued interest	14	6
Impairment		
Net carrying amount	978,616	1,210,620

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Notes to the half-year financial statements – 30 June 2021

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

(in thousands of euros)	30/06/2021				31/12/2020			
	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	583,083	451,901		1,034,984	869,784	454,558		1,324,342
Unlisted securities	95,173		300,346	395,519	40,484		300,346	340,830
Accrued interest	14	2,078		2,092	6	1,709		1,715
Impairment								
Net carrying amount	678,269	453,980	300,346	1,432,595	910,273	456,267	300,346	1,666,887

The breakdown of all UCITS by type at 30 June 2021 is as follows: none

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

(in thousands of euros)	30/06/2021							31/12/2020
	<3 months	>3 months <1 year	>1 year <5 years	>5 years	Total principal	Accrued interest	Total	Total
Bonds and other fixed-income securities								
Gross value	6,212	857	94,913	576,274	678,256	14	678,269	910,273
Impairment								
Net carrying amount	6,212	857	94,913	576,274	678,256	14	678,269	910,273
Treasury bills and similar securities								
Gross value		92,464	359,437		451,901	2,078	453,980	456,267
Impairment								
Net carrying amount		92,464	359,437		451,901	2,078	453,980	456,267

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

(in thousands of euros)	Net assets 30/06/2021	Net assets 31/12/2020
France (including overseas departments and territories)	1,055,040	1,289,411
Other EU countries	75,117	75,415
Other European countries		
North America		
Central and South America		
Africa and the Middle East		
Asia and Oceania (excluding Japan)		
Japan		
Total principal	1,130,157	1,364,826
Accrued interest	2,092	1,715
Impairment		
NET CARRYING AMOUNT	1,132,249	1,366,540

NOTE 6 EQUITY INVESTMENTS AND SUBSIDIARIES

(in thousands of euros)	Financial information				Book value of securities owned		Outstanding loans and advances granted by the company	Guarantees and other commitments given by the company	Revenue excl. tax for the year ended	Net income (profit or loss for the year ended)	Dividends received by the company during the financial year
	Companies	Currency	Capital	Equity other than share capital	Percentage of capital owned	Gross value					
Equity investments with a book value higher than 1% of the company's share capital											
1) Shares in affiliated companies held in credit institutions (more than 50% of share capital)											
2) Shares in affiliated companies held in credit institutions (10% to 50% of share capital)											
3) Other shares in affiliated companies (more than 50% of share capital)											
AMUNDI ESR	EUR	24,000	2,626	99.99%	34,167	34,167			52,952	10,554	10,536
4) Other equity investments (10% to 50% of share capital)											
AMUNDI INTERMEDIATION	EUR	14,604	42,937	38.53%	5,628	5,628			203,772	110,845	42,708
5) Other shares in affiliated companies (1% to 10% of share capital)											
dnA SA	EUR	2,231	-250	100.00%	2,231	1,981					-117
Amundi Finance Emissions	EUR	2,226	11,731	99.99%	2,226	2,226					2,875
LCL Emissions	EUR	2,225	2,817	99.99%	2,225	2,225					1,237
Equity investments with a book value lower than 1% of Amundi Finance's share capital											
	EUR				41	22					
TOTAL SUBSIDIARIES AND EQUITY INVESTMENTS					46,518	46,249					

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Notes to the half-year financial statements – 30 June 2021

NOTE 6.1 ESTIMATED VALUE OF EQUITY INVESTMENTS

(in thousands of euros)	30/06/2021		31/12/2020	
	Carrying amount	Estimated value	Carrying amount	Estimated value
Shares in affiliated companies				
- Unlisted securities	46,518	46,249	48,518	48,309
- Listed securities				
- Advances available for consolidation				
- Accrued interest				
- Impairment	-269		-209	
Net carrying amount	46,249	46,249	48,309	48,309
Equity investments and other long-term securities				
Equity investments				
- Unlisted securities				
- Listed securities				
- Advances available for consolidation				
- Accrued interest				
- Impairment				
Sub-total of equity investments				
Other long-term securities holdings				
- Unlisted securities				
- Listed securities				
- Advances available for consolidation				
- Accrued interest				
- Impairment				
Sub-total of other long-term securities holdings				
Net carrying amount				
Total equity investments	46,249	46,249	48,309	48,309

(in thousands of euros)	30/06/2021		31/12/2020	
	Carrying amount	Estimated value	Carrying amount	Estimated value
TOTAL GROSS VALUES				
Unlisted securities	46,249	46,249	48,309	48,309
Listed securities				
TOTAL	46,249	46,249	48,309	48,309

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Notes to the half-year financial statements – 30 June 2021

NOTE 7 CHANGE IN FIXED ASSETS

NOTE 7.1 Financial assets

(in thousands of euros)	01/01/2021	Increases (Acquisitions)	Decreases (disposals, maturity)	Other movements	30/06/2021
Shares in affiliated companies					
Gross values	48,518	-2,000			46,518
Advances available for consolidation					
Accrued interest					
Impairment	-209	-60			-269
NET CARRYING AMOUNT	48,309	-2,060			46,249
Equity investments					
Gross values					
Advances available for consolidation					
Accrued interest					
Impairment					
Other long-term securities holdings					
Gross values					
Advances available for consolidation					
Accrued interest					
Impairment					
NET CARRYING AMOUNT					
TOTAL	48,309	-2,060			46,249

NOTE 7.2 Property, plant and equipment, and intangible assets

(in thousands of euros)	01/01/2021	Increases (Acquisitions)	Decreases (disposals, maturity)	Other movements	30/06/2021
Property, plant and equipment					
Gross values					
Amortisation and impairment					
NET CARRYING AMOUNT					
Intangible assets					
Gross values	227,424				227,424
Amortisation and impairment					
NET CARRYING AMOUNT	227,424				227,424
TOTAL	227,424				227,424

NOTE 8 TREASURY SHARES

None

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Notes to the half-year financial statements – 30 June 2021

NOTE 9 ACCRUALS, PREPAYMENTS AND SUNDRY ASSETS

(in thousands of euros)	30/06/2021	31/12/2020
Other assets (1)		
Options purchased	1,373,496	1,305,824
Inventory accounts and other resources used		
Sundry debtors (2)	701,846	329,142
Collective management of LDD securities		
Settlement accounts		
Net carrying amount	2,075,342	1,634,966
Accruals		
Collection and transfer accounts		
Adjustment accounts and variance accounts		
Unrealised losses and deferred losses on financial instruments		
Accrued income on commitments on financial futures		
Other accrued income	39,906	47,806
Prepaid expenses	1,034	
Deferred expenses	51	69
Other accruals		
Net carrying amount	40,990	47,876
Total	2,116,332	1,682,842

(1) Amounts including accrued interest.

(2) including €1,395k contributed to the Resolution Fund and paid in the form of a security deposit. This security deposit can be used unconditionally and at any time by the Resolution Fund to finance an operation.

OTHER ASSETS are primarily comprised of security deposits paid in connection with the collateral activity (€387,708k), market transactions in the process of being finalised (€269,417k), corporate income tax instalments (€11,487k), trade receivables (€4,658k), options purchased (for €1,373,496k) and other receivables (€28,576k).

Other income to be received concerns mainly the guarantee activity.

NOTE 10 IMPAIRMENT LOSSES DEDUCTED FROM ASSETS

(in thousands of euros)	Balance at 31/12/2020	Allocations	Reversals and uses	Accretion	Other movements	Balance at 30/06/2021
On interbank and similar transactions						
On customer receivables						
On securities transactions	209	103	-43			269
On fixed assets						
On other assets						
Total	209	103	-43			269

NOTE 11 LOANS AND PAYABLES DUE TO CREDIT INSTITUTIONS – ANALYSIS BY REMAINING MATURITY

(in thousands of euros)	30/06/2021						31/12/2020
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal	Accrued interest	Total
Credit institutions							
Accounts and borrowings:							
· demand	704,951				704,951	3	704,954
· term	436,000				436,000		436,000
Pledged securities							
Securities sold under repurchase agreements							
CARRYING AMOUNT	1,140,951				1,140,951	3	1,140,954
							1,193,849

NOTE 12 CUSTOMER DEPOSITS

None

Note 13 DEBT SECURITIES – ANALYSIS BY RESIDUAL MATURITY

(in thousands of euros)	30/06/2021						31/12/2020
	≤3 months	>3 months ≤1 year	> 1 year ≤5 years	>5 years	Total principal	Accrued interest	Total
Short-term borrowing note							
Interbank market securities							
Negotiable debt securities			15,586	16,952	32,538	15	32,552
Bonds							
Other debt securities							
CARRYING AMOUNT			15,586	16,952	32,538	15	32,552
							12,015

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Notes to the half-year financial statements – 30 June 2021

NOTE 14 ACCRUALS, DEFERRED INCOME AND SUNDRY LIABILITIES

(in thousands of euros)	30/06/2021	31/12/2020
Other liabilities		
Counterparty transactions (trading securities)		
Liabilities representing borrowed securities		
Options sold	905,790	1,089,320
Settlement and trading accounts		
Miscellaneous creditors	963,373	679,146
Payments on securities in process		
Carrying amount	1,869,163	1,768,466
Accruals		
- Collection and transfer accounts		
- Accrual accounts and variance accounts		
- Unrealised gains and gains to be spread out on financial instruments	15,952	18,627
- Deferred income	7,144	4,053
- Accrued expenses on commitments on financial futures	529,522	253,125
- Other accrued expenses	9,290	8,960
- Other accruals		
Carrying amount	561,908	284,765
TOTAL	2,431,071	2,053,231

OTHER LIABILITIES primarily consist of security deposits received as part of the collateral business (€918,969k), options sold (€905,790k) and corporate income tax charges (€12,802k) with the remainder consisting of other liabilities.

NOTE 15 PROVISIONS

(in thousands of euros)	Balance at 01/01/2021	Allocations	Reversals used	Reversals not used	Other movements	Balance at 30/06/2021
Provisions						
For pensions and similar obligations	87					87
For other employee commitments						
For financial commitment execution risks	7,946	113	-1,096	-119		6,844
For tax disputes						
For other litigation						
For country risk						
For credit risk						
For restructuring						
For taxes						
For equity investments						
For operational risk						
Other provisions	4,589	2,486	-662	-121		6,292
CARRYING AMOUNT	12,622	2,599	-1,759	-240		13,222

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Notes to the half-year financial statements – 30 June 2021

NOTE 16 HOME OWNERSHIP SAVINGS

None

NOTE 17 Liabilities to employees – Post-employment benefits, defined-benefit plans

<u>Change in actuarial liability</u>			<u>Change in fair value of plan assets</u>		
(in thousands of euros)	30/06/2021	31/12/2020	(in thousands of euros)	30/06/2021	31/12/2020
Actuarial liability at 31/12/N-1	235	206	Fair value of assets/right to reimbursement at 31/12/N-1	148	144
Cost of services rendered during the period		12	Expected return on assets		1
Effect of discounting		2	Actuarial gains (losses)		3
Employee contributions			Employer contribution		
Benefit plan changes, withdrawals, and settlement			Employee contribution		
Change in scope			Benefit plan changes/withdrawals/settlement		
Early retirement allowances			Change in scope		
Benefits paid			Early retirement allowances		
Actuarial gains (losses)		15	Benefits paid by the fund		
Actuarial liability at 31/12/N	235	235	Fair value of assets / right to reimbursement at 31/12/N	148	148

Breakdown of the net charge recognised in the income statement

<u>Breakdown of the net charge recognised in the income statement</u>			<u>Net position</u>		
(in thousands of euros)	30/06/2021	31/12/2020	(in thousands of euros)	30/06/2021	31/12/2020
Cost of services rendered during the period		12	Actuarial liability at 31/12/N	235	235
Financial cost		2	Impact of asset restriction		
Expected return on assets during the period		-1	Fair value of assets at year-end	-148	-148
Amortisation of past service cost			Net position (liabilities)/assets at 31/12/N	-87	-87
Other gains or losses					
Net charge recognised in the income statement		13			

NOTE 18 FUND FOR GENERAL BANKING RISKS

None

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Notes to the half-year financial statements – 30 June 2021

NOTE 19 SUBORDINATED DEBT: ANALYSIS BY REMAINING MATURITY

(in thousands of euros)	30/06/2021						31/12/2020
	<3 months	>3 months <1 year	>1 year <5 years	>5 years	Total principal	Accrued interest	Total
Forward subordinated debt							
Euro							
Dollar							
Shares and subordinated loans							
Other forward subordinated loans							
Perpetual subordinated debt (1)				100,000	100,000	610	100,610
Frozen current accounts of local banks							
Mutual security deposits							
CARRYING AMOUNT				100,000	100,000	610	100,610

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

Expenses related to subordinated debt total €610k at 30 June 2021.

NOTE 20 STATEMENT OF CHANGES TO SHAREHOLDERS' EQUITY

(in thousands of euros)	Capital	Premiums, reserves and retained earnings	Interim dividends	Regulated provisions and investment subsidies	Net income	Total shareholders' equity
Balance at 31 December 2020	40,320	548,082			98,973	687,375
Dividends paid for 2020		-98,970				-98,970
Change in share capital						
Change in share premiums and reserves						
Appropriation of company income		98,973			-98,973	
Retained earnings						
Profit for financial year 2021					84,891	84,891
Other changes						
Balance at 30 June 2021	40,320	548,085			84,891	673,296

NOTE 21 COMPOSITION OF EQUITY

(in thousands of euros)	30/06/2021	31/12/2020
Shareholders' equity	673,296	687,375
Fund for general banking risks		
Subordinated debt and participating securities	100,610	100,010
Mutual security deposits		
TOTAL CAPITAL	773,906	787,385

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Notes to the half-year financial statements – 30 June 2021

NOTE 22 TRANSACTIONS WITH AFFILIATED COMPANIES AND EQUITY INVESTMENTS

(in thousands of euros)	Balance at 30 June 2021 Transactions with affiliated companies and equity investments	Balance at 31 December 2020 Transactions with affiliated companies and equity investments
Loans and receivables	1,243,926	1,342,615
Credit institutions and financial institutions	568,772	433,640
Customers		
Bonds and other fixed-income securities	675,154	908,975
Debts	1,241,564	1,293,720
Credit institutions and financial institutions	1,140,954	1,193,710
Customers		
Debt securities and subordinated debt	100,610	100,010
Commitments given	12,755,893	13,227,687
Financing commitments to credit institutions		
Financing commitments to customers		
Guarantees given to credit institutions		
Guarantees given to customers	12,755,893	13,227,687
Securities acquired with purchase or buyback option		
Other commitments given		

NOTE 23 TRANSACTIONS IN FOREIGN CURRENCIES

(in thousands of euros)	30/06/2021		31/12/2020	
	Assets	Liabilities	Assets	Liabilities
Euro	4,391,094	4,391,241	4,059,012	4,059,101
Other EU currencies	612	461	46	
Swiss franc				
Dollar		3		
Yen				
Other currencies			43	
Total	4,391,706	4,391,706	4,059,101	4,059,101

NOTE 24 FOREIGN EXCHANGE TRANSACTIONS AND FOREIGN CURRENCY LENDING AND BORROWING

(in thousands of euros)	30/06/2021		31/12/2020	
	receivable	payable	receivable	payable
Foreign exchange spot transactions				
Currencies				
Euros				
Forward exchange transactions	40,595	40,896	40,866	40,768
Currencies	20,317	20,467	20,251	20,251
Euros	20,278	20,429	20,615	20,517
Lending and borrowing in foreign currencies				
TOTAL	40,595	40,896	40,866	40,768

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Notes to the half-year financial statements – 30 June 2021

NOTE 25 TRANSACTIONS ON FORWARD FINANCIAL INSTRUMENTS

(in thousands of euros)	30/06/2021			31/12/2020
	Hedging transactions	Other transactions	Total	Total
Outright transactions	436,000	45,495,106	45,931,106	46,758,202
Transactions on organised markets (1)				
Interest rate futures				
Currency forwards				
Equity and stock market index forwards				
Other forwards				
Over-the-counter transactions (1)	436,000	45,495,106	45,931,106	46,758,202
Interest rate swaps	436,000	2,580,998	3,016,998	3,328,762
Other interest rate forwards				
Currency forwards		81,491	81,491	81,634
FRAs				
Equity and stock market index forwards		42,832,617	42,832,617	43,347,806
Other forwards				
Options		25,122,272	25,122,272	24,317,160
Transactions on organised markets				
Interest rate futures				
* Bought				
* Sold				
Equity and stock market index forwards				
* Bought				
* Sold				
Currency futures				
* Bought				
* Sold				
Over-the-counter transactions		25,122,272	25,122,272	24,317,160
Interest rate swaptions:				
* Bought				
* Sold				
Other forward Interest rate instruments				
* Bought				
* Sold				
Currency forwards:				
* Bought				
* Sold				
Equities and stock market index forwards				
* Bought		19,798,763	19,798,763	18,881,987
* Sold		5,323,509	5,323,509	5,435,173
Other forwards				
* Bought				
* Sold				
Credit derivatives				
Credit derivative contracts:				
* Bought				
* Sold				
TOTAL	436,000	70,617,378	71,053,378	71,075,362

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

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Notes to the half-year financial statements – 30 June 2021

NOTE 25.1 TRANSACTIONS ON FORWARD FINANCIAL INSTRUMENTS NOTIONAL ASSETS BY REMAINING MATURITY

(in thousands of euros)	Total 30/06/2021			o/w over-the-counter			o/w transactions on organised markets and similar		
	<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									
Outright currency transactions on organised markets									
FRAs									
Interest rate swaps	538,815	1,795,629	682,554	538,815	1,795,629	682,554			
Currency swaps									
Caps, Floors, Collars									
Interest rate forwards									
Outright transactions on equities and indices	5,326,978	17,238,365	20,267,275	5,326,978	5,326,978	20,267,275			
Conditional transactions on equities and indices	1,309,060	11,655,401	12,157,811	1,309,060	11,655,401	12,157,811			
Equity and equity index derivatives									
Sub-total	7,174,853	30,689,395	33,107,639	7,174,853	18,778,008	33,107,639			
Forward currency transactions		81,491							
Grand total	7,174,853	30,770,886	33,107,639	7,174,853	18,778,008	33,107,639			

NOTE 25.2 FORWARD FINANCIAL INSTRUMENTS: FAIR VALUE

(in thousands of euros)	30/06/2021		31/12/2020	
	Fair value	Outstanding notional amount	Fair value	Outstanding notional amount
Futures				
Currency options				
Outright currency transactions on organised markets				
FRAs				
Interest rate swaps	-2,069	3,016,998	-712	3,328,762
Currency swaps				
Caps, Floors, Collars				
Equity, equity index and precious metal derivatives	-54,064	67,954,890	-29,709	67,664,966
Sub-total	-56,134	70,971,887	-30,422	70,993,728
Forward currency transactions				81,634
TOTAL	-56,134	70,971,887	-30,422	71,075,362

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Notes to the half-year financial statements – 30 June 2021

NOTE 25.3 BREAKDOWN OF INTEREST RATE SWAPS

(in thousands of euros)

INTEREST RATE AND CURRENCY SWAPS	Isolated open position	Micro-hedging	Macro-hedging	Transaction swaps
Exchange rate contracts		436,000		2,580,998
Similar contracts (1)				

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

NOTE 26 FINANCING AND GUARANTEE COMMITMENTS AND OTHER GUARANTEES

(in thousands of euros)	30/06/2021	31/12/2020
COMMITMENTS GIVEN	22,540,750	23,162,660
Financing commitments		
Commitments to credit institutions		
Commitments to customers		
- Confirmed credit lines		
Documentary credit lines		
Other confirmed credit lines		
- Other commitments to customers		
Guarantee commitments	22,540,750	23,162,660
Commitments to credit institutions		
- Confirmed documentary credit lines		
- Other guarantees		
Commitments to customers	22,540,750	23,162,660
- Property guarantees		
- Financial guarantees		
- Other guarantees to customers	22,540,750	23,162,660
Securities commitments		
. Securities acquired with repurchase or buyback option		
. Other commitments to be given		
COMMITMENTS RECEIVED		
Financing commitments		
Commitments received from credit institutions		
Commitments received from customers		
Guarantee commitments		
Commitments received from credit institutions		
Commitments received from customers		
Securities commitments		
Securities sold with repurchase or buyback option		
Other commitments received		

Amundi Finance

Notes to the half-year financial statements – 30 June 2021

NOTE 26.1 ASSETS GIVEN AND RECEIVED AS COLLATERAL

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

- securities received from counterparties as guarantees in the amount of €1,657,783k,
- securities given to counterparties as guarantees in the amount of €398,551k.

NOTE 27 INFORMATION ON COUNTERPARTY RISK ON DERIVATIVES

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

- the organisation into specialised units and business lines that report to General Management.
- internal procedures that establish the rules for taking and monitoring risk, applying to the various stakeholders in the entity. This principle of setting a limit on commitments is applied to all kinds of counterparties: companies, banks, financial institutions and government-related or state entities. Similarly, the assumption of risk in controlled counterparties or those 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 commitment limit 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 financial futures

	30/06/2021			31/12/2020		
	Market value	Potential credit risk	Total counterparty risk	Market value	Potential credit risk	Total counterparty risk
(in thousands of euros)						
Risk regarding OECD governments and central banks and similar organisations						
Risk regarding OECD financial institutions and similar organisations	2,048,895	5,682	2,043,213	1,897,853	6,199	1,891,654
Risks on other counterparties						
Total before impact of netting agreements	2,048,895	5,682	2,043,213	1,897,853	6,199	1,891,654
O/w risk on:						
interest rate, currency and commodities contracts	65,403		65,403	94,261		94,261
Equity and index derivatives	1,983,492		1,983,492	1,803,592		1,803,592
Total before impact of netting agreements	2,048,895		2,048,895	1,897,853		1,897,853
Impact of netting agreements	918,969		918,969	650,558		650,558
Total after impact of netting agreements	1,129,926	5,682	1,124,244	1,247,295	6,199	1,241,096

Amundi Finance

Notes to the half-year financial statements – 30 June 2021

NOTE 28 NET INTEREST AND SIMILAR INCOME

(in thousands of euros)	30/06/2021	31/12/2020	30/06/2020
On transactions with credit institutions	2,831	4,061	1,726
On transactions with customers	6	8	5
On bonds and other fixed-income securities	413	555	181
Net income on macro-hedging transactions			
Other interest and similar income	23	14	2
Interest and similar income	3,272	4,638	1,914
On transactions with credit institutions	-1,193	-2,591	-1,571
On transactions with customers	-246	-1,337	-780
Net expense on macro-hedging transactions	-1,484	-2,111	-1,082
On bonds and other fixed-income securities	-677	-614	-192
Other interest and similar expenses	-94	-161	-86
Interest and similar expenses	-3,694	-6,814	-3,710
Total net interest and similar income	-422	-2,176	-1,797

NOTE 29 INCOME FROM SECURITIES

(in thousands of euros)	30/06/2021	31/12/2020	30/06/2020
Short-term investment securities Sustainable development passbook account (LDD)			
Long-term investment securities			
Other securities transactions			
Income from fixed-income securities			
Investments in affiliated companies, participating interests, and other long-term securities holdings	53,244	41,725	41,725
Short-term investment securities and medium-term portfolio securities			
Other securities transactions			
Income from variable-income securities	53,244	41,725	41,725
TOTAL INCOME FROM SECURITIES	53,244	41,725	41,725

NOTE 30 NET FEE AND COMMISSION INCOME

(in thousands of euros)	30/06/2021			31/12/2020			30/06/2020		
	Income	Expenses	Net	Income	Expenses	Net	Income	Expenses	Net
On transactions with credit institutions									
On transactions with customers									
On securities transactions	15,768	-11,075	4,693	27,590	-19,750	7,840	12,186	-9,100	3,086
On financial forwards and other off-balance sheet transactions	25,729	-1,285	24,444	58,228	-5,185	53,043	34,041	-2,396	31,645
On financial services									
Provision for fee and commission risks	783	-2,486	-1,702	14,040	-10,937	3,104	11,215	-9,651	1,564
TOTAL NET FEE AND COMMISSION INCOME	42,279	-14,845	27,434	99,858	-35,872	63,987	57,442	-21,146	36,296

NOTE 31 NET GAINS (LOSSES) ON TRADING BOOK

(in thousands of euros)	30/06/2021	31/12/2020	30/06/2020
Net gains (losses) on trading securities	4,126	3,750	627
Net gains (losses) on currency transactions and similar financial instruments			
Net gains (losses) on other financial futures	16,853	26,992	8,775
NET GAINS (LOSSES) ON TRADING BOOK	20,979	30,742	9,402

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

(in thousands of euros)	30/06/2021	31/12/2020	30/06/2020
Short-term investment securities			
Impairment losses	-103	-24	-16
Reversal of impairment losses		3,064	318
Net impairment losses	-103	3,039	303
Gains on disposals			
Losses on disposals		-2,737	
Net gains (losses) on disposals		-2,737	
Net gains (losses) on short-term investment securities	-103	302	303
Medium-term portfolio securities			
Impairment losses			
Reversal of impairment losses			
Net impairment losses			
Gains on disposals			
Losses on disposals			
Net gains (losses) on disposals			
Net gains (losses) on medium-term portfolio securities			
NET GAINS (LOSSES) ON SHORT-TERM INVESTMENT PORTFOLIOS AND SIMILAR	-103	302	303

Amundi Finance

Notes to the half-year financial statements – 30 June 2021

NOTE 33 OTHER BANKING INCOME AND EXPENSES

(in thousands of euros)	30/06/2021	31/12/2020	30/06/2020
Miscellaneous income			
Share of joint ventures			
Rebilling and transfer of expenses			
Provision reversals			
Other banking income			
Other expenses			
Share of joint ventures			
Rebilling and transfer of expenses		-938	-938
Provisions			
Other banking operating expenses		-938	-938
OTHER INCOME AND EXPENSES FROM BANKING OPERATIONS		-938	-938

NOTE 34 GENERAL OPERATING EXPENSES

(in thousands of euros)	30/06/2021	31/12/2020	30/06/2020
Personnel expenses			
Wages and salaries	-415	-741	-364
Social security contributions	-155	-302	-128
Incentive and profit-sharing plans	-59	-64	-23
Payroll-related tax	-67	-95	-50
Total personnel expenses	-696	-1,202	-566
Rebilling and transfers of personnel expenses			
Net personnel expenses	-696	-1,202	-566
Administrative expenses			
Taxes other than on income or payroll-related (1)	-1,625	-3,394	-1,656
External services and other administrative expenses	-2,225	-5,411	-2,723
Total administrative expenses	-3,850	-8,806	-4,378
Rebilling and transfers of administrative expenses			
Net administrative expenses	-3,850	-8,806	-4,378
GENERAL OPERATING EXPENSES	-4,546	-10,008	-4,944

(1) including €1,032k for the resolution fund.

NOTE 34.1 HEADCOUNT

(average number of employees)	30/06/2021	31/12/2020
Executives	8	8
Non-executives		
TOTAL	8	8
<i>Of which: France</i>	8	8
<i>Foreign</i>		
<i>Of which: seconded employees</i>		

NOTE 35 COST OF RISK

(in thousands of euros)	30/06/2021	31/12/2020	30/06/2020
Allocations to provisions and impairment	-113	-3,842	-3,563
Impairment of doubtful loans and receivables			
Other allocations to provisions and impairment	-113	-3,842	-3,563
Reversals of provisions and impairment	1,215	4,509	2,406
Reversals of impairment of doubtful loans and receivables			
Other reversals of provisions and impairment	1,215	4,509	2,406
Change in provisions and impairment	1,102	667	-1,158
Losses on non-impaired uncollectable receivables			
Losses on impaired uncollectable receivables		-1,018	-1,018
Discounts on restructured loans			
Recoveries on impaired receivables			
Other losses			
Other income			
COST OF RISK	1,102	-351	-2,176

NOTE 36 NET INCOME ON FIXED ASSETS

None

NOTE 37 CORPORATE INCOME TAX

(in thousands of euros)

Breakdown of corporate income tax	Earnings before taxes	Tax due	Net income after tax
Net recurring income	97,650	12,795	84,855
Regulated provisions			
Employee profit-sharing	38	3	35
Net income	97,688	12,798	84,890
Tax credits			
Tax assets			
Allocation			
Corporation taxes	97,688	12,798	84,890

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

NOTE 38 OPERATIONS IN NON-COOPERATIVE COUNTRIES AND TERRITORIES

None

NOTE 39 APPROPRIATION OF INCOME

Not applicable at 30 June 2021.

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 the Amundi Group.

MISCELLANEOUS COMPENSATION

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

03

Statutory auditors' report

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Amundi Finance

Period from January 1 to June 30, 2021

Statutory auditors' review report on the half-yearly financial information

PricewaterhouseCoopers Audit

63, rue de Villiers
92208 Neuilly-sur-Seine cedex
S.A.S. au capital de € 2 510 460
672 006 483 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

ERNST & YOUNG et Autres

Tour First
TSA 14444
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S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Amundi Finance

Period from January 1 to June 30, 2021

Statutory auditors' review report on the half-yearly financial information

To the Chief Executive,

In our capacity as statutory auditors of Amundi Finance and in accordance with your request in connection with Amundi's multi-issuer program, we have performed a review of the accompanying interim financial statements of Amundi Finance for the period from January 1 to June 30, 2021.

Due to the global crisis related to the Covid-19 pandemic, the half-yearly financial statements of this period have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our procedures.

These half-yearly financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly financial statements do not give a true and fair view of the assets and liabilities and of the financial position of the entity as at June 30, 2021 and of the results of its operations for the period then ended.

This report is governed by French law. The French courts have exclusive jurisdiction to hear any dispute, or claim that may arise from our engagement letter or from this report, or from any question relating thereto. Each party irrevocably waives its rights to oppose an action brought before these courts, to claim that the action was brought before a court without jurisdiction, or that these courts do not have jurisdiction.

Neuilly-sur-Seine and Paris-La Défense, July 29, 2021

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit

Ernst & Young et Autres

Laurent Tavernier

Claire Rochas

04

Declaration by the Chief Executive Officer

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

Declaration by the Chief Executive Officer

I declare that, to the best of my knowledge, the complete financial statements for the past six months have been prepared in accordance with the applicable accounting standards and provide a true and fair view of the assets, liabilities, financial position and results of the company and the undertakings included in the consolidation taken as a whole, and the attached half-yearly management report provide a true and fair description of the material events that occurred during the first six months of the financial year and their impact on the financial statements, and of the major related-party transactions, as well as a description of the main risks and uncertainties facing it during the remaining six months of the financial year.

Paris, on 11th August 2021

Olivier GUILBAULT
Chief Executive Officer

MENTIONS LÉGALES

Amundi Finance

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

Certified Credit Institution by ACPR

Registered office : 90, boulevard Pasteur - 75015 Paris - France.

Siren : 421 304 601 RCS Paris