
AMUNDI FINANCE
Annual report 2018

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Reports of the Board of Directors on the financial year ended 31 December 2018:

- Management report on the financial statements
- Corporate governance report

AMUNDI FINANCE

On the corporate financial statements for the year ended 31 December 2018

ACTIVITY DURING THE YEAR

Amundi Finance's main activities are as follows:

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

1. The provision of guarantees to funds

	2017 commitments in €	2018 commitments in €	variation
No PEA formula funds	8,265,070,927	5,392,353,358	-35%
PEA formula funds	3,749,955,582	3,745,289,364	0%
Portfolio insurance funds	4,657,706,930	5,622,216,706	21%
Other guarantee funds (money market funds)	973,602,266	121,523,478	-88%
TOTAL funds guaranteed	17,646,335,705	14,881,382,906	-16%

Exposure and commitment

Guarantee commitments given to funds fell by 16% over the period compared with end-December 2017. This decrease is explained primarily by the maturity or early redemption of several formula-based funds. The decrease in outstandings related to these closures was not totally offset by the creation of new funds. The market effect also had a negative impact on the outstandings.

Formula-based funds (structured funds): commitments on formula-based funds fell by -24%, with a decline of -35% for formula-based funds not eligible for the French equity savings plan (PEA) and of -0,12% for formula-based funds eligible for the PEA for 2018.

Portfolio insurance funds and other funds: commitments in respect of portfolio insurance funds limited the decline in guaranteed fund commitments in 2018, with a rise of +21%.

Impact on the guarantor's activity in 2018

Calls on the guarantor totalled €4,097 K in 2018. These funds concerned money market funds guaranteed in capital (capital guarantee not renewed in 2018) for €2 K and the recycling of formula-based funds and issues due with capital guarantee funds over 6 months (for €4,095 K). Provisions were booked for recycling funds of formula-based funds and issues (for €383 K) on two CPPIs benefiting from a MAX NAV Amundi Objectif Retraite 2020 and 2025 guarantee (in total, €1,527 K) and formula-based funds with capital guarantee for (€890 K). The source of these provisions is the low interest rates which have resulted in funds' assets being unable to cover the guarantee.

From a credit risk viewpoint, the situation is, however, stable and the prospects of guarantee calls are low. Thus, no provisions associated with formula-based funds were booked.

2. Note issuance through its subsidiaries dnA, Amundi Finance Emissions, LCL Emissions and Amundi Issuance.

Two subsidiaries dedicated to EMTN activity, "Amundi Finance Emissions" and "LCL Emissions" continued their issue programme in 2018 to the Crédit Agricole network, for the first, two LCL networks, for the second, respectively for a notional amount of €584 million and €1,776 million. Outstanding amounts at the end of 2018 were €3,030 million for Amundi Finance Emissions, €2,625 million for LCL Emissions, €25 million for Amundi Issuance, €99 million for dnA and €12 million for Amundi Finance.

For the Amundi Finance Emissions and LCL Emissions issues, Amundi Finance provided a counter-guarantee respectively to Crédit Agricole S.A. and LCL, which are the respective guarantors.

Amundi Finance's commitments for the issuance vehicles Amundi Finance Emissions and LCL Emissions stood at €7,171,995 thousand at 31 December 2018.

3. Swap and collateralisation

The centralisation of derivatives by Amundi Finance represented a notional €61,183 million at 31 December 2018 (including external counterparties and funds) versus €52,298 million at 31 December 2017.

INCOME STATEMENT AT 31 DECEMBER 2018

Net Banking Income totalled €150,651 thousand versus €127,010 thousand at 31 December 2017.

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

	31/12/2018	31/12/2017
<i>(in thousands of euros)</i>		
MANAGEMENT NBI	86,961	64,584
fees and commissions (income)	110,089	86,256
<i>of which fixed fees on off-balance sheet commitments</i>	29,775	30,169
<i>of which variable fees on off-balance sheet commitments</i>	58,120	37,095
<i>of which provisions for guarantee calls</i>	3,936	1,966
<i>of which fees on notes</i>	18,259	17,026
fees and commissions (expenses)	- 23,128	- 21,672
<i>of which fees on off-balance sheet commitments</i>	- 154	- 135
<i>of which market-making fees</i>	- 753	- 841
<i>of which management fees</i>	- 8	- 88
<i>of which expenses for guarantee calls</i>	- 4,095	- 1,910
<i>of which fees on notes</i>	- 15,617	- 15,592
<i>of which provisions for guarantee calls</i>	- 2,501	- 3,106
FINANCIAL NBI	64,289	63,452
Interest and similar income	7,709	5,967
Interest and similar expenses	- 13,426	- 10,418
Gains (losses) on trading book	31,719	56,126
Gains (losses) on investment portfolio and similar	- 182	996
Income from variable-income securities	38,469	10,781
OTHER NBI	- 599	- 1,026
other banking operating income		
other banking operating expenses	- 599	- 1,026
NET BANKING INCOME	150,651	127,010

Management NBI amounted to €86,961 K versus €64,584 K in 2017. This increase is primarily due to the early maturity of non-PEA funds. It is made up of three elements:

- fixed income on guarantees for €29,775 K at 31 December 2018 versus €30,169 K at 31 December 2017;
- variable income on guarantees for €58,120 K in 2018 compared to €37,095 K in 2017, or an increase following early maturity of non-PEA funds;
- income from investment fees for €18,259 K in 2018 versus €17,026 K in 2017.

- Writebacks of impairments for guarantee calls on recycling funds for €3,936 K versus €1,966 K in 2017.
- the fees and commissions item amounts to - €23,128 K in 2018 versus - €21,672 K in 2017; it primarily consists of:
 - retrocessions on investment fees from note issuance for - €15,590 K versus - €15,565 K in 2017,
 - market making fees on CA Oblig Immo for - €753 K in 2018 versus - €841 K in 2017.
 - expenses on guarantee fees of - €154 K,
 - management fees for - €8 K related to the issue of EMTN by Amundi Finance and managed by Amundi AM.
 - fees on guarantee calls for - €6,596 K, of which - €2,501 K in transfers to provisions and - €4,095 K in guarantee calls on recycling funds.

Financial NBI amounted to €64,289 K in 2018 versus €63,452 K in 2017, comprised of the following elements:

- income from securities in the amount of €38,469 K compared with €10,781 thousand at 31 December 2017, of which:
 - dividends received from its subsidiary, Amundi Intermédiation, for €31,987 K versus €5,552 K received in 2017 (lower dividend in 2017 because an interim dividend had been paid at the end of 2016).
 - the dividends received from its subsidiary, Amundi Tenue de Comptes, for €6,936 K versus €5,664 K in 2017.
- net interest expense in the amount of - €5,717 K (versus - €4,451 K at 31 December 2017), of which:
 - interest expenses of - €4,814 K in perpetual subordinated debt,
 - net expenses of security deposits from collateral operations and cash transactions, for - €212 K in 2018 versus + €545 K in 2017.
 - net expenses for financing of the Securities Collateral activity of €501 K.
- net income on swap issuance, notes, collateral and transaction portfolio activities of + €31,719 K (versus + €56,126 K at 31 December 2017), of which:

- + €37,920 K (versus €49,577 K at 31 December 2017) corresponding to allowances for collection risks for these FFI activities for marketing and launch of new formula-based and EMTN funds,
- - €8,044 K relating to the correction in value in respect of the counterparty risk on derivatives (CVA),
- + €1,843 K in financial forward contracts and the carrying of securities on all structures (versus + €303 K at 31 December 2017), including, primarily:
 - - €383 K on formula-based funds due to under-collection at launch of certain funds (losses offset by IRCs received on these funds),
 - + €1,365 K on UCO structures,
 - + €6 K on dnA,
 - + €1,805 K on CA OBLIG IMMO,
 - - €362 K on CA INDICIA and ARMANTIS, primarily due to the under-collection at launch of certain funds,
 - - €577 K on LCL Emissions structures, primarily due to the under-collection at launch of certain funds,
 - - €5 K on BAWAG,
 - - €29 K on Crelan,
 - - €36 K on Asset Swap structures,
 - + €49 K on the company's EMTN issues.
- losses on investment portfolio activity in the amount of - €182 K compared with + €996 K at 31 December 2017, of which:
 - - €191 K in OAT impairment.

Other NBI totalled - €599 K and mainly includes the expense concerning Amundi Finance's contribution to the cost of the obligations of Crédit Agricole SA in its capacity as reference shareholder, versus - €1,026 K in 2017.

The general operating expenses break down as follows:

(in thousands of euros)	31/12/2018	31/12/2017
Personnel expenses		
Wages and salaries	-800	-760
Social security contributions	-342	-353
Incentive and profit-sharing plans	-86	-64
Payroll-related tax	-132	-127
Total personnel expenses	-1,360	-1,304
Rebilling and transfers of personnel expenses		
Net personnel expenses	-1,360	-1,304
Administrative expenses		
Taxes other than on income or payroll-related (1)	-3,118	-3,179
External services and other administrative expenses	-5,444	-4,921
Total administrative expenses	-8,562	-8,100
Rebilling and transfers of administrative expenses		
Net administrative expenses	-8,562	-8,100
GENERAL OPERATING EXPENSES	-9,922	-9,404

(1) of which €772 K for the resolution fund.

- personnel expenses up, at €1,360 K in 2018 versus €1,304 K in 2017, with primarily:
 - wages and permanent staff expenses for €1,165 K, versus €1,105 K at 31 December 2017,
 - payroll-related tax expenses for €132 K, including €99 K in payroll taxes,
 - reversal of provision for retirement allowances for €21 K.
- administrative expenses were up, at €8,562 K at 31 December 2018 versus €8,100 K at 31 December 2017. They are primarily comprised of the following elements:
 - external services for €5,444 K versus €4,921 K at 31 December 2017, of which:
 - rebilling by the group of staff resources made available to Amundi Finance for €2,183 K, as well as external services for €1,864 K,
 - IT and database expenses, for €1,001 K, primarily related to the Murex system,
 - Agoram rent and expenses, for €145 K,

- statutory auditors' fees, for €188 K,
- taxes and duties, for €3,158 K, with, in particular:
 - CET (territorial economic contribution) / CVAE (company value-added contribution) for €1,659 K versus €1,767 K in 2017
 - Systemic tax for €211 K versus €293 K in 2017,
 - Contribution to the single resolution fund (FRU), for €772 K, versus €685 K in 2017,
 - ACPR tax, for €99 K, versus €87 K in 2017,
 - BCE contribution, for €71 K, versus €55 K in 2017,
 - contribution to the territorial authorities support fund, for €96 K, versus €85 K in 2017,
 - social solidarity contribution, for €208 K in 2018, versus €205 K in 2017.

Gross Operating Income is a profit of €140,730 K in 2018, versus €117,606 K for financial year 2017.

The **Cost of risk** is an expense of - €17 988 K in 2018, versus a profit of €1,026 K in 2017; it primarily includes:

- - €17,801 K in provisions for risks of calls relating to shortfalls of EMTN issues by Amundi Finance Emissions,
- - €631 K in changes in provisions on rate guarantees, formula-based fund guarantees and portfolio insurance guarantees (Guaranteed Funds AMUNDI Objectif Retraite 2020 and 2025, Fonds Acticcia vie 90 No. 8 and Acticcia vie No. 7).

The **Operating Income and Earnings before taxes and extraordinary items** amounted to €122,742 K in 2018 versus €118,633 K for financial year 2017.

Corporation tax amounted to €36,254 K.

The tax rate is 29.54%.

The **Net Income** at 31 December 2018 amounted to €86,488 K, versus €81,536 K at 31 December 2017.

BALANCE SHEET AT 31 DECEMBER 2018

The balance sheet total was €3,329,147 K at 31 December 2018 versus €2,988,476 K at 31 December 2017. The main changes are as follows:

Assets (excluding forward financial instruments):

- The item Treasury bills and similar securities in the amount of €292,649 K concerning securities transactions relating to the EMIR regulation, versus €163,172 K at 31 December 2017.
- The item Loans and receivables due from credit institutions in down, at €1,915 K, versus €221,520 K at 31 December 2017, which mainly consists of:
 - €798 K in bank balances,
 - €1,000 K in long-term loans.
- Shares in related companies are stable, at €49,382 K in 2018, versus €48,299 K in 2017:

SUBSIDIARIES AND EQUITY INVESTMENTS	Currency	% Control at 31/12/2017	Provision 2017	Net book value at 31/12/2017	Increase	Decrease	Gross book value at 31/12/2018	Provision 2018	Net book value at 31/12/2018
AMUNDI TC	EUR	99.99		34,166,579			34,166,579		34,166,579
AMUNDI INTERMÉDIATION	EUR	38.53		5,628,480			5,628,480		5,628,480
SITS	EUR	NS	7,032	3,128			10,160	9,576	584
SCI LES PALMIERS BLEUS	EUR	100	999	0	1,826,954		1,827,953	1,452,784	375,169
SCI MASCARIN	EUR	100	999	0	2,597,885		2,598,884	1,922,805	676,079
DNA SA	EUR	100	163,000	2,068,000			2,231,000	163,000	2,068,000
LRP	EUR	100		31,000			31,000		31,000
Amundi Finance Emissions	EUR	99.99		2,225,106			2,225,106		2,225,106
LCL Emissions	EUR	99.99		2,225,063			2,225,063		2,225,063
AMUNDI ISSUANCE	EUR	99.99	48,000	1,951,914			1,999,914	14,000	1,985,914
TOTAL			220,030	48,299,270	4,424,839	0	52,944,139	3,562,165	49,381,974

- Bonds and other fixed-income securities totalled €534,190 K versus €652,407 K at 31 December 2017. This position mainly corresponds to the carrying of bonds issued by the subsidiaries Amundi Finance Emissions, LCL Emissions and Amundi Issuance and by Crédit Agricole SA and Amundi during the marketing phase or before repurchase for destruction by these issuing companies.
- Equities and other variable-income securities totalled €306 K, versus €328 K at 31 December 2017.
- The item Other assets (excluding forward financial instruments) came in at €1,108,149 K versus €928,162 K at 31 December 2017. It mainly consisted of:
 - guarantee deposits made as part of the collateral business in the amount of €1,057,322 K compared with €853,821 K at 31 December 2017,
 - interim payments of corporation tax in the amount of €37,862 K versus €48,583 K at 31 December 2017,

- trade receivables in the amount of €56 K compared with €3,572 K at 31 December 2017.
- The item Adjustment accounts (excluding forward financial instruments) came in at €56,467 K versus €59,137 K at 31 December 2017. 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 forward financial instruments):

- The item Liabilities due to credit institutions in the amount of €896,585 K, of which:
 - €71,600 K in overnight loans to the Group's treasury office versus an overnight loan of €304,000 K at end-2017.
 - €544,792 K corresponding to the overnight loan related to the "collateral" activity; it should be noted that the position at 31 December 2017 was an overnight loan for €218,474 K.
 - €276,000 K in long-term loans corresponding to the financing of activities relating to EMIR regulation applicable since 2017.
- The item Debt securities in the amount of €12,015 K corresponding to the EMTN issues programme by Amundi Finance.
- The item Other liabilities (excluding forward financial instruments) at €504,179 in 2018 (€1,077,847 K in 2017) mainly records deposits received in relation to the collateral activity for €465,083 K and the provision for corporation tax for €36,259 K.
- The item Adjustment accounts (excluding forward financial instruments) at €12,744 K versus €11,994 K in 2017, breaks down as follows:
 - €3,839 K in deferred income representing the spread of indemnities for collection risk on structures being marketed such as formula-based funds, EMTN Amundi Finance Emissions, EMTN LCL Emissions and UCO.
 - €8,904 K in accruals, of which:
 - €3,665 K in retrocessions on investment fees,

- €3,982 K in operating charges of which €2,183 K relates to the re-invoicing by the staff resources grouping provided for 2018,
- €819 K in market making fees on structures such as CA Oblig Immo.

Forward financial instruments: The activity shows a liability of €46,831 K at 31 December 2018 compared with €39,894 K at 31 December 2017, and mainly consists of:

- €18,729 K on the correction in the value in respect of the counterparty risk on derivatives (CVA) versus €10,684 K in 2017,
 - €11,497 K on the position on options,
 - - €264 K related to the valuation of FFIs (swaps and options),
 - €16,869 K for hedging positions.
- Provisions for liabilities and charges of €27,555 K versus €13,731 K in 2017, of which:
 - €6,294 K provisions for the “Testaments obsèques” guarantee fund,
 - €383 K of provisions for the recycling funds,
 - €20,221 K of provisions for risks on the fund guarantee activity and issuance vehicles,
 - The item Subordinated debts was stable at €100,040 K; it corresponds to the perpetual subordinated debt that will increase the level of the company’s own funds, as well as the related debts.

Unpaid invoices received or issued on the closing date of the financial year, the term of which has expired (Table provided in Article D.441-4)

(in thousands of euros)

Article D.441 I.-1: Unpaid invoices <u>received</u> on the closing date of the financial year, the term of which has expired						Article D.441 I.-2: Unpaid invoices <u>issued</u> on the closing date of the financial year, the term of which has expired					
0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days and	Total (1 day and	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days and	Total (1 day and

					more	more)					more	more)
(A) Late payment tranches												
Number of invoices concerned						2						8
Total amount of invoices concerned including taxes	1	0				1	28		23		5	56
Total amount of purchases for the financial year	0.00%	0.00%				0.00%						
Percentage of turnover for the financial year							0.02%		0.02%		0.00%	0.04%
(B) Invoices excluded from A relating to debts and litigious receivables or not recorded												
Number of invoices excluded						0						0
Amount of excluded invoices												
(C) Reference payment periods used												
Payment periods used to calculate late payments	> 30 days					> 30 days						

This information does not include banking and related transactions which do not fall within the scope of the information to be produced.

Shareholders' equity changed as follows:

(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 2017	40,320	462,855			81,536	584,711
Dividends paid for 2017						
Change in share capital						
Change in share premiums and reserves						
Appropriation of company income		81,536			-81,536	
Retained earnings						
Profit for financial year 2018					86,488	86,488
Other changes		-668				-668
Balance at 31 December 2018	40,320	543,724			86,488	670,532

OFF-BALANCE SHEET COMMITMENTS AT 31 DECEMBER 2018

At 31 December 2018, forward financial instruments (FFIs) were recorded for a notional amount of €61,183 million versus €52,298 million at 31 December 2017.

FFI overview

Notional in millions of euro	31/12/2018	31/12/2017
FFIs Collateral	40,813	40,757
FFIs Notes	157	457
FFIs Notes with margin	41	63
FFIs Asset Swap Forward	1,104	1,147
FFIs EMTN CASA network	8,198	6,451
FFIs EMTN Crelan network	202	277
FFIs EMTN LCL network	10,171	2,926
FFIs EMTN Other networks	210	52
FFIs EMTN AMUNDI FINANCE network	12	12
FFIs Collateral Securities Hedging	276	156
TOTAL	61,183	52,298

The item Guarantee commitments given came in at €22,053 million compared with €22,490 million at 31 December 2017. This increase is primarily due to:

- The change in commitments given for guaranteed funds and EMTN, for - €437 million euros,

The item Assets given as collateral was €242 million at 31 December 2018 versus €110 million at 31 December 2017, and corresponds to the Securities Collateral given to the market counterparty within the framework of the EMIR regulation.

The item Assets received as collateral was €880 million at 31 December 2018 versus €526 million at 31 December 2017 and corresponds to the Securities Collateral received from funds and market counterparties within the framework of the EMIR regulation.

DISTRIBUTION OF DIVIDENDS

Distributable income totalled €408,284,373.17, including the profit for financial year 2018, for €86,488,009.00 and retained earnings, for €321,796,364.17.

For financial year 2018, it is proposed that €82,148,388.74 be distributed as a unit dividend of €31.06.

Retained earnings, therefore, will result, after appropriation of income, to €326,135,984.43.

In accordance with the law, we wish to remind you that during the three previous years, the company allocated to each share a dividend of:

Financial year	Dividend in €	Distributed revenues eligible for the 40% tax credit (*) in €	Distributed revenues not-eligible for the 40% tax credit (*) in €
2017	-	-	-
2016	83.18	83.18	-
2015	75.60	75.60	-

(*) Article 158-3-2 of the French General Tax Code

DEVELOPMENT PROSPECTS FOR 2019

In France, the trends seen in 2018 are expected to continue in 2019, leading to a stabilisation in the guaranteed outstandings.

On the international side, multiple projects should result in an increase in Amundi Finance's activity:

- The development of portfolio insurance funds in Thailand and Taiwan,
- The distribution of formula-based funds in Italy,
- The issue of EMTN in foreign currency on the Czech Republic and Poland.

MONITORING OF MARKET RISKS

The organisation, procedures and tools for monitoring risks are detailed in the annual internal control report. The risks of Amundi Finance are based on guarantees granted and portfolio and cash management.

CHANGES TO THE METHODS FOR PRESENTING THE ACCOUNTS

No significant changes in method were made to the method of presenting the accounts.

CONTROL OF THE COMPANY

At 31 December 2018, the company is controlled as follows:

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

FIGURES FOR THE LAST FIVE YEARS

Item	31/12/2014	31/12/2015	31/12/2016	31/12/2017	31/12/2018
Ending capital (in euros)	40,320,157	40,320,157	40,320,157	40,320,157	40,320,157
Number of shares issued	2,644,829	2,644,829	2,644,829	2,644,829	2,644,829
Operations and profit for the year (in thousands of euros)					
Net Banking Income	196,624	233,405	192,495	127,010	150,651
Earnings before taxes, depreciation, amortisation, and provisions	188,001	217,822	185,752	117,606	140,729
Corporate income taxes	-53,881	-63,432	-49,327	-37,097	-36,254
Earnings after taxes, depreciation, amortisation, and provisions	134,120	154,389	136,425	81,536	86,488
Distributed profits	0	199,949	219,997	0	82,148
Operating earnings per share (in euros)					
Earnings after taxes but before amortisation, depreciation, and provisions	50.71	58.37	51.58	30.83	32.70
Earnings after taxes, depreciation, amortisation, and provisions	50.71	58.37	51.58	30.83	32.70
Dividend allocated to each share	0.00	75.60	83.18	0.00	31.06
Employees					
Average number of employees	8	8	10	10	9
Total payroll for the year (in thousands of euros)	1,915	654	675	749	821
Employee benefits and social contributions paid during the year (in thousands of euros)	1,092	281	310	353	342

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

List of mandates and positions held during the financial year 2018 by the company officers

Nicolas CALCOEN

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

(*) Mandate expired during the financial year

Olivier GUILBAULT

Company	Position	Represented
AMUNDI INTERINVEST	Chief Executive Officer	
AMUNDI FINANCE	Chief Executive Officer and Person "Effectively Running" the company	
Amundi Planet*	Director	
LRP	Director	

(*) Mandate expired during the financial year

Marie-Clotilde CALAIS

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

(*) Mandate expired during the financial year

Claire CORNIL

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

(*) Mandate expired during the financial year

Fathi JERFEL

Company	Position	Represented
Amundi Czech Republic, investiční společnost, a.s. (ACRIS)*	Chairman of the Supervisory Board	
AMUNDI PRIVATE EQUITY FUNDS *	Chairman of the Board of Directors	
AMUNDI IMMOBILIER *	Chairman of the Board of Directors	
AMUNDI SGR S.P.A	Chairman of the Board of Directors	
SOCIETE GENERALE GESTION - S2G	Chairman of the Board of Directors	
AMUNDI JAPAN LTD (EX SGAM JAPAN CO LTD)	Chairman of the Board of Directors	
Pioneer Investment Management Sgr p.A (Italy) *	Chairman of the Board of Directors	
Amundi Czech Republic Asset Management, a.s. (ACRAM) *	Chairman of the Supervisory Board	
ABC-CA FUND MANAGEMENT CO	Vice Chairman	
AMUNDI ASSET MANAGEMENT *	Director and Deputy Chief Executive Officer	
AMUNDI ASSET MANAGEMENT	Deputy Chief Executive Officer and Person "Effectively Running" the company	
SBI FUNDS MANAGEMENT PRIVATE LTD	Director	
NEXTSTAGE AM *	Director	
Wafa GESTION (MAROC)	Director	AMUNDI ASSET MANAGEMENT
AMUNDI FINANCE	Director	
RADIAN	Director	AMUNDI
Amundi Pension Fund *	Director	
AMUNDI IMMOBILIER	Director	

(*) Mandate expired during the financial year

Béatrice PAILLOLE

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

(*) Mandate expired during the financial year

Pierre BOSIO

Company	Position	Represented
AMUNDI FINANCE *	Chief Executive Officer and Person "Effectively Running" the company	
AMUNDI FINANCE EMISSIONS *	Director and Chief Executive Officer	
LCL EMISSIONS *	Director and Chief Executive Officer	
AMUNDI ISSUANCE *	Deputy Chief Executive Officer	
LRP *	Director	
Amundi Real Assets Company - ARAC	Director	
ANATEC *	Censor	

(*) Mandate expired during the financial year

Regulated agreements

During the financial year ended 31st December 2018, no agreement was concluded within the scope of Article L. 225-38 of the French Commercial Code.

Delegations granted by the general shareholders 'meeting on capital increase

Nil.

Terms of exercise of the general management

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

Composition of the board of directors at year-end

Chairman of the Board of Directors

Monsieur Nicolas CALCOEN

Chief Executive Officer

Mr Olivier GUILBAULT

Deputy Chief Executive Officer

Mrs Marie-Clotilde CALAIS

Directors

Mr Fathi JERFEL

AMUNDI ASSET MANAGEMENT,
represented by Mrs Claire CORNIL

Representatives of the Works Committee

Mrs Christine FAGE

Mrs Florence HUCHEZ

Statutory auditors

ERNST & YOUNG AND OTHERS,
represented by Mrs Claire ROCHAS

PRICEWATERHOUSE COOPERS AUDIT,
represented by Mr Laurent TAVERNIER

Work of the Board of Directors

During the financial year:

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

Board of Directors meeting of 28th March 2018

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

Board of Directors meeting of 29th June 2018

- Renewal of bond issue programme

Board of Directors meeting of 26th July 2018

- Resignation of Mr Pierre BOSIO as Chief Executive Officer
- Resignation of Mrs Béatrice PAILLOLE as Deputy Chief Executive Officer
- Appointment of Mr Olivier GUILBAULT as Chief Executive Officer
- Appointment of Mrs Marie-Clotilde CALAIS as Deputy Chief Executive Officer
- Examination and approval of the half-year financial statements at 30th June 2018

Since the end of the period:

Board of Directors meeting of 19th March 2019

- Renewal of bond issue programme
- Reports of the Board of Directors, examination and approval of the financial statements at 31st December 2018:
 - Management report on the financial statements
 - Corporate Governance Report
- Report on Internal Control of the Company for the 2018 reporting period.
- Convening of the Ordinary General Meeting

Directors' compensation

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

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

As such, we inform you that the Company has not granted any compensation, benefits in kind or attendance fees to its Directors during the year 2018. In addition, no option plan (options for purchase or options for subscription) has been put in place within the Company.

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

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

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Statutory auditors' reports on the financial year ended 31 December 2018:

- Report on the financial statements
- Report on related party agreements

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

Amundi Finance

Year ended December 31, 2018

Statutory auditors' report on the financial statements

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine cedex
S.A.S. au capital de € 2.510.460
672 006 583 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

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

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Amundi Finance

Year ended December 31, 2018

Statutory auditors' report on the financial statements

To the Annual General Meeting of Amundi Finance,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of Amundi Finance for the year ended December 31, 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

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

Basis for Opinion

■ Audit Framework

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

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

■ Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Emphases of Matters

We draw attention to the changes of accounting methods described in Note 2 to the financial statements relating to the:

- ▶ new ANC regulations or amendments to existing ANC regulations;
- ▶ new model for provisioning credit risk on performing loans, aiming to transpose, as from January 1, 2018, into individual accounts, the new model of credit risk provisioning under new IFRS 9 for expected loss estimates;
- ▶ change of presentation in the profit and loss account of the reversal due to the passage of time or effect of discounting, of the impairment of doubtful loans.

Our opinion is not modified in respect of these matters.

Justification of Assessments - Key Audit Matters

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

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

Specific verifications

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

■ Information given in the Management Report and in the Other Documents with respect to the financial position and the financial statements provided to the Shareholders

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

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

■ Report on Corporate Governance

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

In accordance with French law, we inform you that the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favor, are not mentioned in the Board of Directors' report on corporate governance. As a consequence, we cannot attest the accuracy and fair presentation of the information relating to remunerations and benefits received by the directors and any other commitments made in their favor.

■ Other information

In accordance with French law, we have verified that the required information concerning the identity of the purchase of investments and controlling interests has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

■ Appointment of the Statutory Auditors

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

As at December 31, 2018, PricewaterhouseCoopers Audit and ERNST & YOUNG et Autres were in the sixteenth year and fourteenth year of total uninterrupted engagement respectively.

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

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

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

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

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

■ Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement.

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

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

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

- ▶ Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- ▶ Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- ▶ Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- ▶ Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

■ Report to the Board of Directors acting as Audit Committee

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

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

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

Neuilly-sur-Seine and Paris-La Défense, April 4, 2019

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit

ERNST & YOUNG et Autres

Laurent Tavernier

Claire Rochas

**AMUNDI FINANCE
INDIVIDUAL FINANCIAL STATEMENTS
AT 31/12/2018**

**Approved by the Board of Directors of *AMUNDI FINANCE*
on 19/03/2019 and submitted for the approval
of the Ordinary General Meeting of 16/05/2019**

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AMUNDI FINANCE
INDIVIDUAL FINANCIAL STATEMENTS AT 31/12/2018

BALANCE SHEET AT 31 DECEMBER 2018

ASSETS

(in thousands of euros)	Notes	31/12/2018	31/12/2017
Interbank and similar transactions		294,564	384,692
Cash, central banks			
Treasury bills and similar securities	5	292,649	163,172
Loans and receivables due from credit institutions	3	1,915	221,520
Customer transactions	4		
Securities transactions		534,496	652,735
Bonds and other fixed-income securities	5	534,190	652,407
Equities and other variable-income securities	5	306	328
Fixed assets		276,806	275,723
Equity investments and other long-term securities holdings	6-7		
Shares in affiliated companies	6-7	49,382	48,299
Intangible assets	7	227,424	227,424
Property, plant and equipment	7		
Unpaid subscribed capital			
Treasury shares	8		
Accruals, prepayments and sundry assets		2,223,281	1,675,327
Other assets	9	1,986,219	1,602,574
Accruals	9	237,063	72,753
TOTAL ASSETS		3,329,147	2,988,476

EQUITY & LIABILITIES

(in thousands of euros)	Notes	31/12/2018	31/12/2017
Interbank and similar transactions		896,585	460,218
Due to central banks			
Due to credit institutions	11	896,585	460,218
Customer deposits	12		
Debt securities	13	12,015	12,015
Accruals, deferred income and sundry liabilities		1,622,420	1,817,761
Other liabilities	14	1,575,466	1,795,083
Accruals	14	46,954	22,678
Provisions and subordinated debt		127,596	113,771
Provisions	15-16-17	27,555	13,731
Subordinated debt	19	100,040	100,040
Fund for general banking risks (FGBR)	18		
Shareholders' equity excluding FGBR:	20	670,532	584,711
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		321,796	240,928
Net income pending approval / interim dividends			
Profit for the year		86,488	81,536
TOTAL EQUITY & LIABILITIES		3,329,147	2,988,476

OFF-BALANCE SHEET

(in thousands of euros)	Notes	31/12/2018	31/12/2017
COMMITMENTS GIVEN			
Financing commitments	26		
Guarantee commitments	26	22,053,378	22,490,183
Securities commitments	26		

(in thousands of euros)		31/12/2018	31/12/2017
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 31 DECEMBER 2018

(in thousands of euros)	Notes	31/12/2018	31/12/2017
Interest and similar income	28-29	7,709	5,967
Interest and similar expenses	28	-13,426	-10,418
Income from variable-income securities	29	38,469	10,781
Fees and commissions (income)	30	110,090	86,256
Fees and commissions (expenses)	30	-23,128	-21,672
Gains (losses) on trading book	31	31,719	56,126
Gains (losses) on short-term investment portfolios and similar	32	-182	996
Other banking income	33		
Other banking operating expenses	33	-599	-1,026
Net banking income		150,651	127,010
General operating expenses	34	-9,922	-9,404
Allocations to depreciation and amortisation of property, plant and equipment, and intangible assets			
Gross operating income		140,729	117,606
Cost of risk	35	-17,988	1,027
Operating income		122,742	118,633
Net income on fixed assets	36		
Earnings before taxes and extraordinary items		122,742	118,633
Net extraordinary items			
Corporate income tax	37	-36,254	-37,097
Net allocation to FGBR and regulated provisions			
Net income		86,488	81,536

CASH FLOW STATEMENT AT 31 DECEMBER 2018

(in thousands of euros)	31/12/2018	31/12/2017
Profit (loss) before taxes	122,742	118,633
Net depreciation and provisions for property, plant and equipment		
Impairment of goodwill		
Net allocation to impairments	13,157	124
Share of earnings of equity-method companies		
Net loss/gain of investment activities		
Income/expenses of financing activities	4,814	4,814
Other movements	3,420	-5,111
Total non-monetary items included in the profit (loss) before tax and other adjustments	21,391	-173
Flows related to transactions with credit institutions	119,963	154,948
Flows relating to transactions with customers		
Flows relating to other transactions affecting financial assets or liabilities	-12,907	-765,838
Flows relating to transactions affecting non-financial assets or liabilities	-754,129	381,073
Dividends received from equity-method companies		
Taxes paid	-27,172	-33,799
Net decrease/(increase) in assets and liabilities from operating activities	-674,245	-263,616
TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	-530,112	-145,156
Flows relating to investments	-1,083	7
Flows relating to property, plant and equipment and intangible fixed assets		
TOTAL NET CASH FLOWS FROM INVESTMENT OPERATIONS (B)	-1,083	7
cash flows from or to shareholders		
Other net cash flows from financing activities	-4,814	-4,814
TOTAL NET CASH FLOWS FROM FINANCING OPERATIONS (C)	-4,814	-4,814
Effect of exchange rate changes and other changes on cash and cash equivalents (D)		
Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	-536,009	-149,962
Cash and cash equivalents at beginning of period	-83,749	66,214
Net cash accounts and accounts with central banks		
Net demand loans and deposits with credit institutions	-83,749	66,214
Cash and cash equivalents at end of period	-619,758	-83,749
Net cash accounts and accounts with central banks		
Net demand loans and deposits with credit institutions	-619,758	-83,749
CHANGE IN NET CASH AND CASH EQUIVALENTS	-536,009	-149,962

NOTE 1 LEGAL AND FINANCIAL FRAMEWORK AND SIGNIFICANT EVENTS

1.1 Legal and financial framework

Amundi Finance's share capital totalled €40,320,157 at 31 December 2018. 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 31 December 2018. They are expressed in thousands of euros ("€K").

The balance sheet total before appropriation in these financial statements is €3,329,147 K.

Net banking income (NBI) in these financial statements is €150,651 K.

Net income for the financial year is €86,488 K (€86,488,009.00).

1.2 Significant events relating to financial year 2018

None.

1.3 Events after financial year 2018

None.

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.

The changes to the accounting method and presentation of the financial statements compared to the previous financial year concern the following points:

Regulations	Date of publication by the French State	Date of 1st application: financial years opening on or after	impact on AMUNDI FINANCE
ANC regulation no. 2017-01 on the PCG concerning the accounting treatment of mergers and similar transactions.	30/12/2017	2018	the application of this new regulation did not have any significant impact on the profit (loss) and net position of the entity for the period
Regulation 2018-01 on changes to accounting methods, changes to estimates and error correction	20/04/2018	2018	the application of this new regulation did not have any significant impact on the profit (loss) and net position of the entity for the period

ANC regulation no. 2014-03 did not have any impact on the profit (loss) and net position of Amundi Finance.

At 1 January 2018, two accounting method changes were made in the absence of the new ANC text.

The first corresponds to a new credit risk provisioning model for healthy outstandings that is intended to transpose the new credit risk provisioning model according to the IFRS 9 approach for estimating expected losses.

This scope of application of the new provisioning model concerns outstanding loans (excluding leasing) as well as signature commitments, namely financing and guarantee commitments.

As part of the IFRS 9 project, the Group took the decision in principle to align the provisions that it applies to calculate impairment for credit risk in the unconsolidated financial statements under French standards with those used in the consolidated financial statements under IFRS.

This alignment of principle is still compatible with application of the existing texts of the French framework:

- The principle of prudence, defined in Article L123-20 of the French Commercial Code and adopted in Article 121-4 of Regulation 2014-03 (PCG) justifies the funding of provisions by nature, including on the basis of expected losses.
- Article 1121-3 of Regulation 2014-03 regarding provisions for liabilities (item 7) makes it possible to fund provisions for outstandings whose credit risk has degraded significantly or that pose a risk based on “events that have occurred or are ongoing”.
- Article 323-6 of Regulation 2014-03 (PCG) regarding the valuation of liabilities makes it possible to take “future events” into account when estimating provisions (similar to the forward-looking component).
- Finally, Regulation 2018-01, which modifies Regulation 2014-03, makes it possible to change accounting methods at the initiative of the company.

The impact of this alignment will be recognised in opening equity.

The second change in presentation in the income statement concerns reversals due to the passage of time or the accretion effect on the impairment of doubtful loans and receivables. Article 1123-2 of Regulation 2014-03 on company financial statements in the banking sector describes in detail the composition of the interest and similar income item in net banking income. With regard to the accretion effect, there is the option to recognise it in net banking income or risk cost.

It was decided to present reversals of the impairment of doubtful loans and receivables related to the passage of time in credit risk effective 1 January 2018. This decision will not have any impact on the opening equity.

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.

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

Uncompromised doubtful loans and receivables:

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.

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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.

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

Trading securities are recorded on the balance sheet at their 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 related 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 companies are shares held in companies exclusively controlled, consolidated or likely to be fully consolidated in a single consolidatable unit.
- Participating interests are investments (other than investments in a related 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

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to the small percentage of voting rights held.

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

At the reporting date, the value of these securities is measured individually, based on value in use, and they are recorded on the balance sheet at the lower 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 into investment portfolios in case of exceptional market situations or for fixed-income securities, when they can no longer be traded on an active market.

In 2018, 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 tangible assets, 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 €227,424 K. This business capital was not subject to depreciation.

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

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

Software acquired is measured at cost less depreciation and impairment losses since the date of purchase.

Proprietary software is measured at cost less accumulated depreciation and impairment losses since completion.

With the exception of software, patents, and licenses, intangible 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.

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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.

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.

At 31 December 2018, forward financial commitments totalled €61,183,390 K.

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 €31,719,130.26, including €37,919,935.00 in allowances for funding risks related to the launch of new funds and EMTN.

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 market, similar, OTC or included in a trading portfolio – within the meaning of ANC Regulation 2014-07.

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

If the instruments are 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.

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Counterparty risk on derivatives

Pursuant to ANC Regulation 2014-07 of 26 November 2014, Amundi Finance includes the counterparty risk assessment on asset derivatives (Credit Valuation Adjustment or CVA) in the market value of derivatives. As such, only derivatives booked in isolated open positions or in trading portfolios (derivatives classified according to categories "A" and "D" of Article 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 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

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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 31 December 2018, these guarantees given as well as guarantees granted directly totalled €22,053,378 K.

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 Tenue de Comptes, Amundi Immobilier, Amundi Intermédiation, Amundi Private Equity Funds, Etoile Gestion, BFT IM, Société Générale Gestion, CPR AM, and Amundi Transition Energétique). Agreements on employee profit sharing and incentive plans have been signed 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 - retirement 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.

At 31 December 2018, these commitments were valued at €206 K, while provisions amounted to €65 K.

The sensitivity rates demonstrate that:

- a 50 basis point increase in discount rates would reduce the commitment by 8.18%.
- a 50 basis point decrease in discount rates would increase the commitment by 9.07%.

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

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end-of-career allowances is reflected by transferring some of the existing liability provision from the books to the PREDICA contract.

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

2.12 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.

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

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

(in thousands of euros)	31/12/2018						31/12/2017
	<3 months	>3 months <1 year	>1 year <5 years	>5 years	Total principal	Accrued interest	Total
Credit institutions							
Accounts and loans:							
· demand	822				822		220,465
· term				1,000	1,000	93	1,055
Securities received under repurchase agreements							
Securities bought under repurchase agreements							
Subordinated loans							
Total	822			1,000	1,822	93	221,520
Impairment							
NET CARRYING AMOUNT	822			1,000	1,822	93	221,520
Ordinary accounts							
Term deposits and advances							
Total							
Impairment							
NET CARRYING AMOUNT							
TOTAL	822			1,000	1,822	93	221,520

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Notes to the annual financial statements – 31 December 2018

NOTE 4 CUSTOMER TRANSACTIONS

None

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

In thousands of euros	31/12/2018					31/12/2017
	Transaction	Investment	Portfolio securities	investment	Total	Total
Treasury bills and similar securities:		291,336			291,336	162,729
· o/w residual net premium		15,336			15,336	6,729
· o/w residual net discount						
Accrued interest		1,314			1,314	443
Impairment						
Net carrying amount		292,649			292,649	163,172
Bonds and other fixed income securities:	523,370	11,000			534,370	652,397
Issued by public bodies						
Other issuers	523,370	11,000			534,370	652,397
· o/w residual net premium						
· o/w residual net discount						
Accrued interest		10			10	10
Impairment		-191			-191	
Net carrying amount	523,370	10,819			534,190	652,407
Equities and other variable-income securities		331			331	331
Accrued interest						
Impairment		-25			-25	-2
Net carrying amount		306			306	328
Total	523,370	303,775			827,145	815,907
Estimated values	523,370	303,775			827,145	815,907

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 outstandings 31/12/2018	Net outstandings 31/12/2017
Governments and central banks (including central governments)		
Credit institutions	12,980	27,217
Financial companies	521,721	625,510
Local authorities		
Corporates, insurers and other clients		
Other and non-allocated		
Total principal	534,701	652,727
Accrued interest	10	10
Impairment	-215	-2
Net carrying amount	534,496	652,735

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

(in thousands of euros)	31/12/2018				31/12/2017			
	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	521,396	291,336		812,732	631,530	162,729		794,259
Unlisted securities	12,974		331	13,304	20,866		331	21,197
Accrued interest	10	1,314		1,324	10	443		453
Impairment	-191		-25	-215			-2	-2
Net carrying amount	534,190	292,649	306	827,145	652,407	163,172	328	815,907

The breakdown of all UCITS by type at 31 December 2018 is as follows:

In thousands of euros	Inventory value	Net asset value
Money market UCITS		
Bond UCITS		
Share UCITS		
Other UCITS	306	306
TOTAL	306	306

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

In thousands of euros	31/12/2018							31/12/2017
	<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	1,554	65	8,984	523,767	534,370	10	534,380	652,407
Impairment				-191	-191		-191	
Net carrying amount	1,554	65	8,984	523,576	534,179	10	534,190	652,407
Treasury bills and similar securities								
Gross value			191,306	100,030	291,336	1,314	292,649	163,172
Impairment								
Net carrying amount			191,306	100,030	291,336	1,314	292,649	163,172

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

	Net outstandings 31/12/2018	Net outstandings 31/12/2017
In thousands of euros		
France (including overseas departments and territories)	823,732	811,992
Other EU countries	1,974	3,134
Other European countries		
North America		
Central and South America		
Africa and the Middle East		
Asia and Oceania (excluding Japan)		
Japan		
Total principal	825,706	815,126
Accrued interest	1,324	453
Impairment	-191	
NET CARRYING AMOUNT	826,839	815,579

NOTE 6 EQUITY INVESTMENTS AND SUBSIDIARIES

(in thousands of euros)

Company	Financial information			Percentage of capital owned	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
	Currency	Capital	Equity other than share capital		Gross value	Net 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 TENUE DE COMPTES	EUR	24,000	1,849	100.00%	34,167	34,167			45,045	7,176	6,936
AMUNDI INTERMEDIATION	EUR	14,604	38,904	38.53%	5,628	5,628			161,899	80,498	31,987
4) Other equity investments (10% to 50% of share capital)											
Equity investments with a book value lower than 1% of Amundi Finance's share capital											
	EUR				13,149	9,587					
TOTAL SUBSIDIARIES AND EQUITY INVESTMENTS					52,944	49,382					

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Notes to the annual financial statements – 31 December 2018

NOTE 7 CHANGE IN FIXED ASSETS

NOTE 7.1 Financial assets

(in thousands of euros)	01/01/2018	Increases (Acquisitions)	Decreases (disposals, maturity)	Other movements	31/12/2018
Shares in affiliated companies					
Gross values	48,519	4,425			52,944
Advances available for consolidation					
Accrued interest					
Impairment	-220	-3,383	41		-3,562
NET CARRYING AMOUNT	48,299	1,042	41		49,382
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	48,299	1,042	41		49,382

NOTE 7.2 Property, plant and equipment, and intangible assets

(in thousands of euros)	01/01/2018	Increases (Acquisitions)	Decreases (disposals, maturity)	Other movements	31/12/2018
Property, plant and equipment					
Gross values					
Depreciation 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

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Notes to the annual financial statements – 31 December 2018

NOTE 8 TREASURY SHARES

None

NOTE 9 ACCRUALS, PREPAYMENTS AND SUNDRY ASSETS

(in thousands of euros)	31/12/2018	31/12/2017
Other assets (1)		
Options purchased	878,070	674,412
Inventory accounts and other resources used		
Sundry debtors (2)	1,108,149	928,162
Collective management of LDD securities		
Settlement accounts		
Net carrying amount	1,986,219	1,602,574
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	56,466	59,137
Prepaid expenses	1	
Deferred expenses	146	-6,729
Other accruals	180,450	20,344
Net carrying amount	237,063	72,753
Total	2,223,281	1,675,327

(1) Amounts including accrued interest.

(2) including €564 K 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.

The OTHER ASSETS are primarily comprised of security deposits paid in connection with the collateral activity (€1,057,322 K), corporation tax instalments (€37,862 K), trade receivables (€56 K), options purchased (for €878,070 K) and other receivables (€974 K).

Other income to be received concerns the guarantee activity.

NOTE 10 IMPAIRMENT LOSSES DEDUCTED FROM ASSETS

(in thousands of euros)	Balance at 31/12/2017	Allocations	Reversals and uses	Accretion	Other movements	Balance at 31/12/2018
On interbank and similar transactions						
On customer receivables						
On securities transactions	222	3,596	-41			3,778
On fixed assets						
On other assets						
Total	222	3,596	-41			3,778

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

(in thousands of euros)	31/12/2018					Accrued interest	Total	31/12/2017 Total
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal			
Credit institutions								
Accounts and borrowings:								
· demand	620,580				620,580	5	620,585	304,218
· term	70,000	206,000			276,000		276,000	156,000
Pledged securities								
Securities sold under repurchase agreements								
CARRYING AMOUNT	690,580	206,000			896,580	5	896,585	460,218

NOTE 12 CUSTOMER DEPOSITS

None

NOTE 13 DEBT SECURITIES

Note 13.1 Debt securities – Analysis by remaining maturity

(in thousands of euros)	31/12/2018					Accrued interest	Total	31/12/2017 Total
	≤3 months	>3 months ≤1 year	> 1 year ≤5 years	>5 years	Total principal			
Short-term borrowing note								
Interbank market securities								
Negotiable debt securities				12,000	12,000	15	12,015	12,015
Bonds								
Other debt securities								
CARRYING AMOUNT				12,000	12,000	15	12,015	12,015

Amundi Finance

Notes to the annual financial statements – 31 December 2018

NOTE 14 ACCRUALS, DEFERRED INCOME AND SUNDRY LIABILITIES

(in thousands of euros)	31/12/2018	31/12/2017
Other liabilities (1)		
Counterparty transactions (trading securities)		
Liabilities representing borrowed securities		
Options sold	1,071,288	717,237
Settlement and trading accounts		-2,325
Miscellaneous creditors	504,179	1,080,172
Payments on securities in process		
Carrying amount	1,575,466	1,795,083
Accruals		
- Collection and transfer accounts		
- Adjustment accounts and variance accounts		
- Unrealised gains and gains to be spread out on financial instruments	15,481	
- Deferred income	3,839	5,275
- Accrued expenses on commitments on financial futures	18,729	10,684
- Other accrued expenses	8,904	6,718
- Other accruals		
Carrying amount	46,954	22,678
TOTAL	1,622,420	1,817,761

(1) Amounts including accrued interest.

OTHER LIABILITIES primarily consist of security deposits received as part of the collateral business (€465,083 K), options sold (€1,071,288 K) and corporate income tax charges (€36,259 K) with the remainder consisting of other liabilities.

NOTE 15 PROVISIONS

In thousands of euros	Balance at 01/01/2018	Increases	Reversals used	Reversals not used	Other movements	Balance at 31/12/2018
Provisions						
For pensions and similar obligations	85			-21		64
For other employee commitments						
For financial commitment execution risks	1,715	19,543	-2	-441		20,814
For tax disputes						
For other litigation						
For country risk						
For credit risk						
For restructuring						
For taxes						
For equity investments						
For operational risk						
Other provisions	11,932	2,501	-3,936	-3,820		6,677
CARRYING AMOUNT	13,731	22,044	-3,938	-4,282		27,555

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Notes to the annual financial statements – 31 December 2018

NOTE 16 HOME OWNERSHIP SAVINGS

None

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

(in thousands of euros)	31/12/2018	31/12/2017	(in thousands of euros)	31/12/2018	31/12/2017
Actuarial liability at 31/12/N-1	224	213	Fair value of assets/right to reimbursement at 31/12/N-1	139	139
Cost of services rendered during the period	11	11	Expected return on assets	2	2
Effect of discounting	3	3	Actuarial gains (losses)		-2
Employee contributions			Employer contribution		
Benefit plan changes, withdrawals, and settlement	-40		Employee contribution		
Change in scope			Benefit plan changes/withdrawals/settlement		
Early retirement allowances			Change in scope		
Benefits paid			Early retirement allowances		
Actuarial gains (losses)	7	-3	Benefits paid by the fund		
Actuarial liability at 31/12/N	205	224	Fair value of assets / right to reimbursement at 31/12/N	141	139

Breakdown of the net charge recognised in the income statement

(in thousands of euros)	31/12/2018	31/12/2017	(in thousands of euros)	31/12/2018	31/12/2017
Actuarial liability at 31/12/N			Actuarial liability at 31/12/N	205	224
Cost of services rendered during the period	-29	11	Impact of asset restriction		
Financial cost	3	3	Fair value of assets at year-end	-141	-139
Expected return on assets during the period	-2	-2	Net position (liabilities)/assets at 31/12/N	-64	-85
Amortisation of past service cost					
Other gains or losses					
Net charge recognised in the income statement	-28	12			

Amundi Finance

Notes to the annual financial statements – 31 December 2018

NOTE 18 FUND FOR GENERAL BANKING RISKS

None

NOTE 19 SUBORDINATED DEBT: ANALYSIS BY REMAINING MATURITY

(in thousands of euros)	31/12/2018					31/12/2017	
	<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	40	100,040
Frozen current accounts of local banks							
Mutual security deposits							
CARRYING AMOUNT				100,000	100,000	40	100,040

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

Expenses related to subordinated debt total €4,814 K at 31 December 2018.

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 2017	40,320	462,855			81,535.907	584,711
Dividends paid for 2017						
Change in share capital						
Change in share premiums and reserves						
Appropriation of company income		81,536			-81,536	
Retained earnings						
Profit for financial year 2018					86,488	86,488
Other changes		-668				-668
Balance at 31 December 2018	40,320	543,724			86,488	670,532

NOTE 21 COMPOSITION OF EQUITY

(in thousands of euros)	31/12/2018	31/12/2017
Shareholders' equity	670,532	584,711
Fund for general banking risks		
Subordinated debt and participating securities	100,040	100,040
Mutual security deposits		
TOTAL CAPITAL	770,572	684,751

Amundi Finance

Notes to the annual financial statements – 31 December 2018

NOTE 22 TRANSACTIONS WITH AFFILIATED COMPANIES AND EQUITY INVESTMENTS

(in thousands of euros)	Balance at 31 December 2018 Transactions with affiliated companies and equity investments	Balance at 31 December 2017 Transactions with affiliated companies and equity investments
Loans and receivables	536,081	873,927
Credit institutions and financial institutions	1,891	221,520
Customers		
Bonds and other fixed-income securities	534,190	652,407
Debts	996,624	560,044
Credit institutions and financial institutions	896,584	460,004
Customers		
Debt securities and subordinated debt	100,040	100,040
Commitments given	9,456,113	5,915,258
Financing commitments to credit institutions		
Financing commitments to customers		
Guarantees given to credit institutions		
Guarantees given to customers	9,456,113	5,915,258
Securities acquired with purchase or buyback option		
Other commitments given		

NOTE 23 TRANSACTIONS IN FOREIGN CURRENCIES

(in thousands of euros)	31/12/2018		31/12/2017	
	Assets	Liabilities	Assets	Liabilities
Euro	2,245,820	2,245,837	2,988,476	2,988,476
Other EU currencies				
Swiss franc				
Dollar				
Yen				
Other currencies	28			
Total	2,245,848	2,245,837	2,988,476	2,988,476

NOTE 24 FOREIGN EXCHANGE TRANSACTIONS AND FOREIGN CURRENCY LENDING AND BORROWING

None

Amundi Finance

Notes to the annual financial statements – 31 December 2018

NOTE 25 TRANSACTIONS ON FORWARD FINANCIAL INSTRUMENTS

(in thousands of euros)	31/12/2018			31/12/2017
	Hedging transactions	Other transactions	Total	Total
Outright transactions	276,000	44,487,901	44,763,901	45,300,516
Transactions on organised markets (1)				
Interest rate futures				
Currency futures				
Equity and stock market index forwards				
Other forwards				
Over-the-counter transactions (1)	276,000	44,487,901	44,763,901	45,300,516
Interest rate swaps	276,000	3,250,371	3,526,371	3,653,586
Other interest rate forwards				
Currency forwards				
FRAs				
Equity and stock market index forwards		41,237,530	41,237,530	41,646,930
Other forwards				
Conditional transactions		16,419,489	16,419,489	6,997,480
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		16,419,489	16,419,489	6,997,480
Interest rate swaptions:				
* Bought				
* Sold				
Other forward Interest rate instruments				
* Bought				
* Sold				
Currency forwards:				
* Bought				
* Sold				
Equities and stock market index forwards				
* Bought		11,068,664	11,068,664	4,218,740
* Sold		5,350,825	5,350,825	2,778,740
Other forwards				
* Bought				
* Sold				
Credit derivatives				
Credit derivative contracts:				
* Bought				
* Sold				
TOTAL	276,000	60,907,390	61,183,390	52,297,996

(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)

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

(in thousands of euros)	Total 31/12/2018			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	36,546	1,223,786	2,266,039	36,546	1,223,786	2,266,039			
Currency swaps									
Caps, Floors, Collars									
Interest rate forwards									
Outright transactions on equities and indices	1,056,232	16,193,858	23,987,439	1,056,232	1,056,232	23,987,439			
Conditional transactions on equities and indices		3,918,244	12,501,245		3,918,244	12,501,245			
Equity and equity index derivatives									
Sub-total	1,092,779	21,335,888	38,754,723	1,092,779	6,198,262	38,754,723			
Forward currency transactions									
Grand total	1,092,779	21,335,888	38,754,723	1,092,779	6,198,262	38,754,723			

NOTE 25.2 FORWARD FINANCIAL INSTRUMENTS: FAIR VALUE

(in thousands of euros)	31/12/2018		31/12/2017	
	Fair value	Outstanding notional amount	Fair value	Outstanding notional amount
Futures				
Currency options				
Outright currency transactions on organised markets				
FRAs				
Interest rate swaps	-587	3,526,371	-595	3,653,586
Currency swaps				
Caps, Floors, Collars				
Equity, equity index and precious metal derivatives	-12,181	57,657,019	-21,885	48,644,410
Sub-total	-12,767	61,183,390	-22,480	52,297,996
Forward currency transactions				
TOTAL	-12,767	61,183,390	-22,480	52,297,996

Amundi Finance

Notes to the annual financial statements – 31 December 2018

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		276,000		3,250,371
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)	31/12/2018	31/12/2017
COMMITMENTS GIVEN	22,053,378	22,490,183
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	22,053,378	22,490,183
Commitments to credit institutions		
- Confirmed documentary credit lines		
- Other guarantees		
Commitments to customers	22,053,378	22,490,183
- Property guarantees		
- Financial guarantees		
- Other guarantees to customers	22,053,378	22,490,183
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 annual financial statements – 31 December 2018

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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 €879,823 K,
- securities given to counterparties as guarantees in the amount of €242,151 K.

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 forward financial instruments

	31/12/2018			31/12/2017		
	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	1,512,844	18,729	1,494,115	1,827,419	10,684	1,816,734
Risks on other counterparties						
Total before impact of netting agreements	1,512,844	18,729	1,494,115	1,827,419	10,684	1,816,734
O/w risk on:						
interest rate, currency and commodities contracts	64,605		64,605	142,701		142,701
Equity and index derivatives	1,448,239		1,448,239	1,684,718		1,684,718
Total before impact of netting agreements	1,512,844		1,512,844	1,827,419		1,827,419
Impact of netting agreements	463,110		463,110	1,038,981		1,038,981
Total after impact of netting agreements	1,049,734	18,729	1,031,005	788,438	10,684	777,753

NOTE 28 NET INTEREST AND SIMILAR INCOME

(in thousands of euros)	31/12/2018	31/12/2017
On transactions with credit institutions	3,443	3,614
On transactions with customers	1	1
On bonds and other fixed-income securities	46	24
Net income on macro-hedging transactions		
Other interest and similar income	38	137
Interest and similar income	3,528	3,776
On transactions with credit institutions	-5,626	-5,594
On transactions with customers	-2,309	-2,246
Net expense on macro-hedging transactions	-1,105	-283
On bonds and other fixed-income securities	-68	-32
Other interest and similar expenses	-136	-71
Interest and similar expenses	-9,245	-8,226
Total net interest and similar income	-5,717	-4,451

NOTE 29 INCOME FROM SECURITIES

(in thousands of euros)	31/12/2018	31/12/2017
Short-term investment securities Sustainable development passbook account (LDD)		
Long-term investment securities		
Other securities transactions		
Income from fixed-income securities		
Investments in related companies, participating interests, and other long-term securities holdings	38,469	10,781
Short-term investment securities and medium-term portfolio securities		
Other securities transactions		
Income from variable-income securities	38,469	10,781
TOTAL INCOME FROM SECURITIES	38,469	10,781

NOTE 30 NET FEE AND COMMISSION INCOME

(in thousands of euros)	31/12/2018			31/12/2017		
	Income	Expenses	Net	Income	Expenses	Net
On transactions with credit institutions						
On transactions with customers						
On securities transactions	18,259	-15,625	2,634	17,026	-15,681	1,346
On financial forwards and other off-balance sheet transactions	87,894	-5,002	82,892	67,264	-2,886	64,378
On financial services						
Provision for fee and commission risks	3,936	-2,501	1,435	1,966	-3,106	-1,140
TOTAL NET FEE AND COMMISSION INCOME	110,090	-23,128	86,961	86,256	-21,672	64,584

NOTE 31 NET GAINS (LOSSES) ON TRADING BOOK

(in thousands of euros)	31/12/2018	31/12/2017
Net gains (losses) on trading securities	-1,377	3,470
Net gains (losses) on currency transactions and similar financial instruments		
Net gains (losses) on other forward financial instruments	33,097	52,656
NET GAINS (LOSSES) ON TRADING BOOK	31,719	56,126

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

(in thousands of euros)	31/12/2018	31/12/2017
Short-term investment securities		
Impairment losses	-223	-9
Reversal of impairment losses	41	
Net write-down losses	-182	-9
Gains on disposals		1,006
Losses on disposals		
Net gains (losses) on disposals		1,006
Net gains (losses) on short-term investment securities	-182	996
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	-182	996

NOTE 33 OTHER BANKING INCOME AND EXPENSES

(in thousands of euros)	31/12/2018	31/12/2017
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	-599	-1,026
Provisions		
Other banking operating expenses	-599	-1,026
OTHER INCOME AND EXPENSES FROM BANKING OPERATIONS	-599	-1,026

Amundi Finance

Notes to the annual financial statements – 31 December 2018

NOTE 34 GENERAL OPERATING EXPENSES

(in thousands of euros)	31/12/2018	31/12/2017
Personnel expenses		
Wages and salaries	-800	-760
Social security contributions	-342	-353
Incentive and profit-sharing plans	-86	-64
Payroll-related tax	-132	-127
Total personnel expenses	-1,360	-1,304
Rebilling and transfers of personnel expenses		
Net personnel expenses	-1,360	-1,304
Administrative expenses		
Taxes other than on income or payroll-related (1)	-3,118	-3,179
External services and other administrative expenses	-5,444	-4,921
Total administrative expenses	-8,562	-8,100
Rebilling and transfers of administrative expenses		
Net administrative expenses	-8,562	-8,100
GENERAL OPERATING EXPENSES	-9,922	-9,404

NOTE 34.1 HEADCOUNT

(average number of employees)	31/12/2018	31/12/2017
Executives	9	10
Non-executives		
TOTAL	9	10
<i>Of which: France</i>	9	10
<i>Foreign</i>		
<i>Of which: seconded employees</i>		

NOTE 35 COST OF RISK

(in thousands of euros)	31/12/2018	31/12/2017
Allocations to provisions and impairment	-18,950	-526
Impairment of doubtful loans and receivables		
Other allocations to provisions and impairment	-18,950	-526
Reversals of provisions and impairment	964	1,553
Reversals of impairment of doubtful loans and receivables		
Other reversals of provisions and impairment	964	1,553
Change in provisions and impairment	-17,986	1,027
Losses on non-impaired uncollectable receivables		
Losses on impaired uncollectable receivables	-2	
Discounts on restructured loans		
Recoveries on impaired receivables		
Other losses		
Other income		
COST OF RISK	-17,988	1,027

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	122,793	36,252	86,541
Regulated reserves			
Employee profit-sharing	-51	2	-53
Net income	122,742	36,254	86,488
Tax credits			
Tax assets			
Allocation			
Corporation taxes	122,742	36,254	86,488

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

Amundi Finance

Notes to the annual financial statements – 31 December 2018

NOTE 39 APPROPRIATION OF INCOME

Distributable income totalled €408,284,373.17, including the profit for financial year 2018, for €86,488,009.00 and retained earnings, for €321,796,364.17.

For financial year 2018, it is proposed that €82,148,388.74 be distributed as a unit dividend of €31.06.

Retained earnings, therefore, will result, after appropriation of income, to €326,135,984.43.

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.

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

Amundi Finance

Annual General Meeting held to approve the financial statements for the year ended December 31, 2018

Statutory auditors' report on related party agreements

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine cedex
S.A.S. au capital de € 2.510.460
672 006 583 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

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

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Amundi Finance

Annual General Meeting held to approve the financial statements for the year ended December 31, 2018

Statutory auditors' report on related party agreements

To the annual General Meeting of Amundi France,

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

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

We are also required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*) of the continuation of the implementation, during the year ended December 31, 2018, of the agreements previously approved by the Annual General Meeting.

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

Agreements submitted for approval to the Annual General Meeting

We hereby inform you that we have not been notified of any agreements authorized and entered into during the year ended December 31, 2018 to be submitted to the Annual General Meeting for approval in accordance with Article L. 225-38 of the French Commercial Code (*Code de commerce*).

Agreements previously approved by the Annual General Meeting

We hereby inform you that we have not been notified of any agreements previously approved by the Annual General Meeting, whose implementation continued during the year ended December 31, 2018

Neuilly-sur Seine and Paris-La-Défense, April 4, 2019

The Statutory Auditors
French original signed by

Pricewaterhouse Coopers Audit

ERNST & YOUNG et Autres

Laurent Tavernier

Claire Rochas

03

Declaration by the Chief Executive Officer

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

Declaration by the Chief Executive Officer

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

I declare that, to my knowledge, the financial statements were prepared in accordance with the applicable accounting standards and provide a true and fair view of the financial position and results of the Company, and that the management report provides a true and fair view of the business trends, results and financial position of the Company.

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

Paris, on 3rd April 2019

Olivier GUILBAULT



Chief Executive Officer

LEGAL MENTIONS

AMUNDI FINANCE

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

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

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

Siren no. 421 304 601 RCS Paris

Siret no. 42130460100022

APE code: 6419Z

VAT identification no. FR32 421 304 601