

2019

ANNUAL

REPORT

Confidence
must be earned

Amundi

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Terms listed in the glossary are marked with *

Amundi, a trusted partner, working every day in the interest of its clients and society

Being a trusted partner means being attentive to our clients' needs

Confidence cannot be given on demand, it must be earned every day by delivering concrete results. This is the guiding principle we have embodied since 2010, and which has led us to develop savings and investment solutions that meet our clients' expectations. We offer all of our clients, whether they are Retail, Institutional investors or Corporates, a full range of investment solutions thanks to our six investment platforms operating in all financial markets.

Being a trusted partner means being a long-term partner

Together with our 4,500 employees based in nearly 40 countries, we believe that our relationship with our clients should be based on confidence. We provide them with support on a daily basis to build an enduring relationship based on sound advice, long-term performance and a commitment to social responsibility. Our advice to clients is supported by our unique research capabilities and our proven track record in asset management, as well as our high standards of service.

Being a trusted partner means being a responsible partner

Responsible Investment is one of Amundi's cornerstones. We have always believed that companies and financial players have the responsibility to face today's major challenges, specifically in energy transition and social inclusion. We believe that taking public interest into account strengthens financial performance. That is why we integrate both financial and non-financial analysis into our investment decisions.

Xavier

MUSCA

Chairman of the Board of Directors of Amundi
Deputy Chief Executive Officer of Crédit Agricole S.A.



**In 2019,
Amundi once again
recorded growth
in both its business
and financial results.**

With the return of favourable market conditions in 2019, Amundi delivered solid growth and made substantial improvement in global net inflows. This acceleration of business went hand in hand with a considerable improvement in net income (+6.6%⁽¹⁾ compared with an average annual target of +5%). By keeping a good control on operating expenses, Amundi further improved its operating efficiency, with a cost-income ratio⁽¹⁾ that improved by 70 basis points year-on-year from 2018, to 50.9%.

These various indicators all attest to the strength of Amundi's business model and the efficiency of the strategy the company has implemented over the last ten years. They are fully in line with Crédit Agricole Group's 2022 Medium-Term Plan, a pillar of which is to consolidate Amundi's leading position in the asset management industry. Amundi's many initiatives contributing to a financial sector that better respects the environment and promotes social cohesion all support Crédit Agricole Group's ambition of becoming the leading European player in Responsible Investment.

*"2019 was in line
with Amundi's
performance history
since its creation."*

The 2020 financial year has begun under highly unusual circumstances due to the COVID-19 pandemic and the ensuing crisis, whose scale and duration are difficult to predict. However, through its robust business model, Amundi is in a strong position to see the crisis through.

(1) Adjusted data: excluding amortisation of the distribution contracts and, in 2018, excluding costs associated with the integration.

Yves
PERRIER
Chief Executive Officer of Amundi



**The excellent results
in 2019 are fully
in line with
our objectives.**

In 2019, Amundi achieved the largest net inflows in its history (€108 billion), recording a tenth consecutive year of growth in net income, which totalled €959 million (+12%), in line with our announced ambitions. Meanwhile, Amundi's cost-income ratio, already amongst the industry's lowest, was further improved to 50.9%.

In the last decade, Amundi has achieved massive transformation to become the leading European asset manager, ranked among the Top Ten worldwide, with 1.653 trillion euros under management. In this period, the company's assets under management and net income increased by a factor of 2.5.

This success is the outcome of clear strategic choices, implemented with unswerving determination. Our growth has been primarily organic, with certain targeted acquisitions, notably Pioneer Investments, which has now been successfully integrated. International business

"Once again, Amundi has succeeded in combining growth with operational efficiency. The company achieved the highest net inflows in its history, while simultaneously improving its cost-to-income ratio."

has been a strong driver, today representing two-thirds of assets under management (insurance excluded), compared with just a quarter in 2010. And lastly, the company that as early as 2010 made responsible investment one of its four founding pillars is today a leading player in this field, with €323 billion in responsibly managed assets.

Going forward, this development strategy will benefit from two significant partnerships that have recently been announced: the creation of a joint venture with Bank of China in China and the

signature of a strategic agreement with Banco Sabadell in Spain.

The year 2020 has begun with the crisis caused by the COVID-19 pandemic, whose unprecedented proportions affect every aspect of economic and financial activity worldwide. The full impact and duration of this crisis are difficult to anticipate. Thanks to its business model and organisation, however, Amundi is prepared to face these exceptional circumstances. The company's IT systems have been deployed to ensure uninterrupted support of portfolio management and client servicing. All our teams are committed to riding out this storm.

A AMUNDI, THE LEADING EUROPEAN ASSET MANAGER

Our clients benefit from the expertise and advice of 4,500 professionals in nearly 40 countries. Leveraging our global network, combined with our research capabilities and solid experience, we offer our clients a comprehensive range of savings and investment solutions.

More than
100
million clients

Foothold in nearly
40
countries

4,500
employees



Amsterdam
Bangkok
Beijing
Boston
Bratislava
Brussels
Bucharest
Budapest
Casablanca
Dubai
Durham

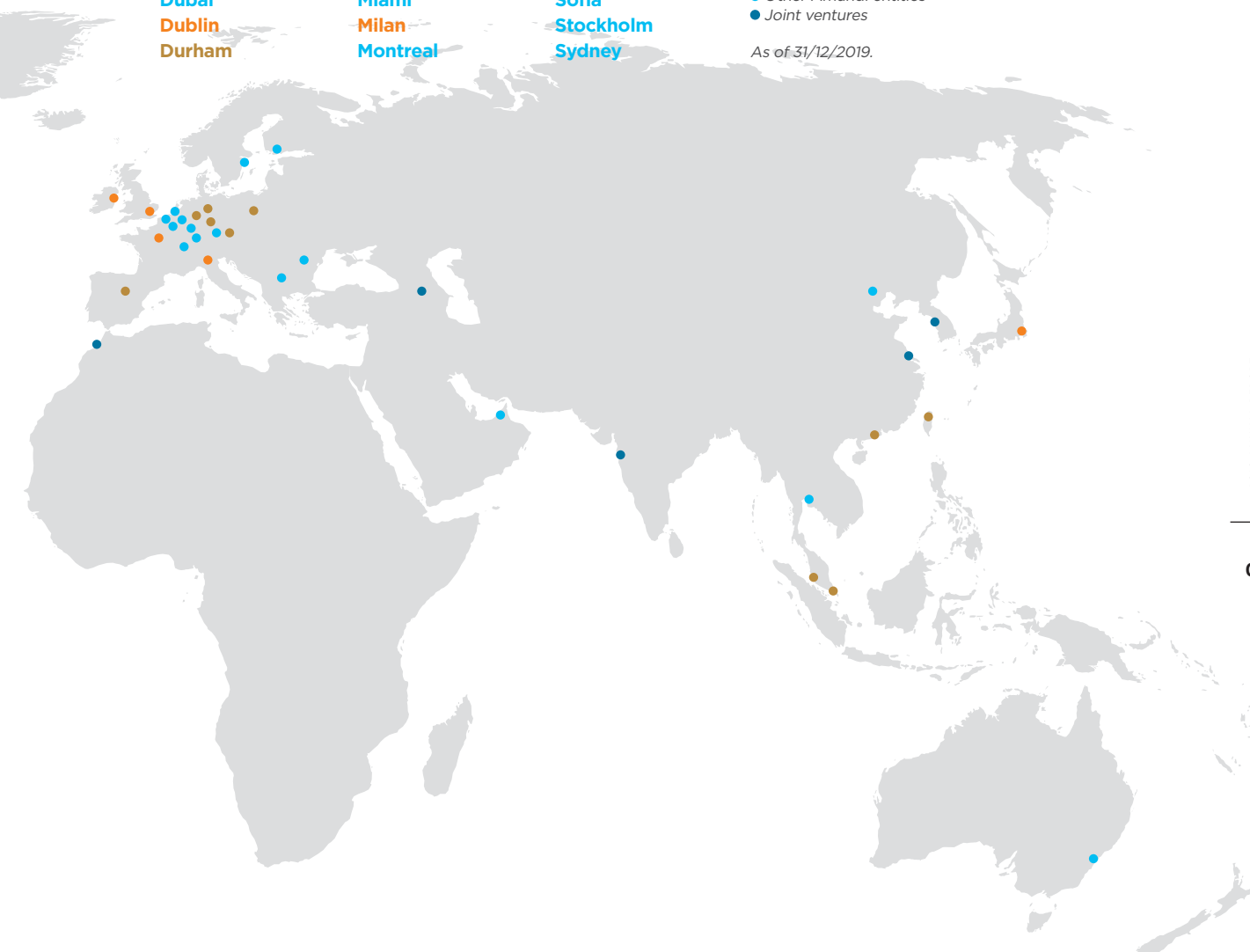
Frankfurt
Geneva
Helsinki
Hong Kong
Kuala Lumpur
London
Luxembourg
Madrid
Mexico City
Miami
Milan
Montreal

Mumbai
Munich
New York
Paris
Prague
Santiago
Seoul
Shanghai
Singapore
Sofia
Stockholm
Sydney

Taipei
Tokyo
Vienna
Warsaw
Yerevan
Zurich

- Investment hubs
- Local investment centres
- Other Amundi entities
- Joint ventures

As of 31/12/2019.





DRIVING SUSTAINABLE PERFORMANCE



Our business model

Amundi, a trusted partner that acts every day in the interest of its clients and society

Our business

With our full range of expertise and services, coupled with our capacity for innovation and our organisation, which is both global and local, we offer our clients – Retail, Institutional and Corporate – tailored savings and investment solutions.

Our strengths

1. Management platforms present across all asset classes

- Active and passive management
- Traditional and real assets
- 6 international hubs (Boston, Dublin, London, Milan, Paris and Tokyo)

2. Large-scale innovation capabilities

- We are constantly developing new savings and investment solutions

3. Diversified profile

- Entities in nearly 40 countries
- 100 million Retail clients, via our partner networks and our third-party distributors
- ≈ 1,500 Institutional clients

4. State-of-the-art technology

- ALTO⁽¹⁾: a high-quality proprietary back-to-front tool

5. Experienced, committed employees

- 4,500 employees, of which 750 are investment professionals covering all asset classes
- Committed employees (ERI score⁽²⁾ of 67%)

6. Strong commitment to social responsibility

- Recognised ESG analysis capabilities
- A position adopted since our creation and built on in 2018 with a new ESG action plan

7. Solid financials

- Fitch Ratings rating: A+ with stable outlook
- A strong balance sheet and stable shareholder base
- Excellent operational efficiency

OUR ORGANISATION

Client-focused, with an industrial approach. Our management platforms and our risk controls are fully integrated for the entire Group. Our Sales teams are dedicated to each client profile, in close to 40 countries, adapting to specific local requirements.

(1) Amundi Leading Technologies & Operations. (2) Engagement and Recommendation Index – Average of positive answers to the 21 questions asked in the survey and used to measure the ERI. (3) Adjusted data: excluding amortisation of distribution contracts; average annual growth between 2018 and 2022 (based on market-neutral assumptions over the period). (4) Adjusted data: excluding amortisation of distribution contracts (based on market-neutral assumptions over the period). (5) When technically possible. (6) Figures at end-December 2019. (7) 5-year period: scope of open-ended funds.

Our ambition

To be among the top 5 players in the global asset management industry, being recognised for:

- the quality of expertise and services provided to our clients
- our growth and profitability momentum, with two major objectives:
 - 5% average annual growth in adjusted net earnings from 2018 to 2022⁽³⁾⁽¹²⁾
 - cost-to-income ratio⁽⁴⁾ of less than or equal to 53%⁽¹²⁾
- our positioning as a committed financial player, with the ambition of incorporating ESG criteria into 100% of the assets in our actively-managed, open-ended funds⁽⁵⁾



Our value creation for⁽⁶⁾...

1. Our clients

- 78% of assets under management in the 1st and 2nd quartiles of the Morningstar ranking⁽⁷⁾
- 78% of positive recommendations from consultants⁽⁸⁾

2. Our employees

- > 400 new hires
- Average annual pay: €144k⁽⁹⁾
- Fairness ratio: 20.8⁽¹⁰⁾
- 55% of employees trained
- 921 interns

3. The company

- €323bn in Responsible Investment assets under management
- €260m in impact investing assets under management
- 8,000 issuers ESG rated
- Taxes paid: €540m, of which €384m in France⁽¹¹⁾

4. Our shareholders

- + 16% in assets under management
- + 12% growth in net income, Group share
- Excellent cost-to-income ratio: 50.9%
- Dividend pay-out rate: 65%⁽¹²⁾

(8) Global consultants: AonHewitt, Cambridge Associates, Mercer, Russell, Willis Towers Watson, Bfinance, rating December 2019.

(9) Global scope - Wages and salaries of employees divided by the average workforce. (10) Managerial internal fairness ratio (methodology available in the Universal Registration Document for 2019). (11) Taxes and social security contributions. (12) The COVID-19 epidemic is a profound crisis; its scale and duration are unknown. Its impact on Amundi is difficult to assess at this stage. In accordance with the recommendations published by the European Central Bank, Amundi decided not to submit a dividend pay-out at its shareholders' meeting of 12 May, 2020.

Overview of the global economy

Slowdown in growth in 2019 followed by a major new challenge in 2020

Economic growth slowed in 2019, whether in the United States, the euro zone or China. The uncertainties generated by the US-China trade dispute and by Brexit weighed considerably on the global economy. In early 2020, however, both risks receded, while the spread of COVID-19 became the main threat to the global economy.

United States

The US economy gradually decelerated in 2019, as the effects of the 2018 fiscal stimulus faded and trade disputes escalated. The Federal Reserve changed its stance, adopting a more accommodating tone and then cutting its key policy rate three times. The labour market remained strong, however, with continued wage growth until early 2020. The situation then deteriorated abruptly from March onwards due to the population containment measures implemented by the authorities to curb the COVID-19 epidemic. Activity has collapsed in many sectors and unemployment has risen sharply, despite the twofold support provided by new monetary measures and an extensive fiscal stimulus package.

weakened by continued trade tensions between the United States and China and the slowdown in world trade. Against this background, the central banks of emerging countries adopted a softer stance in an environment characterised by relatively low inflationary pressures. The overall fiscal position of individual countries was more mixed, with some adopting a more accommodating policy than others. However, the movement restriction measures implemented in China in early 2020, and later in other countries, to combat the spread of COVID-19 seem likely to significantly slow activity.

Euro zone

After a fairly good start to 2019, European economic growth weakened. The main causes of this slowdown were international trade tensions, Brexit-related fears and difficulties in the automotive sector. The European Central Bank reacted by cutting its key interest rate and resuming its asset purchases. At the beginning of 2020, the resolution of Brexit (albeit transitory) was good news. However, the global pandemic then brought considerable pressure to bear on a European economy that is highly exposed to international trade and tourism, with the authorities' response complicated by political differences between countries.

Emerging markets

GDP growth in emerging economies slowed in 2019, although there were significant disparities from one country to another. Investment and exports were



Asset managers must demonstrate their added value

Despite a more moderate growth outlook, the asset management industry benefits from organisational levers and drivers to develop and secure long-term profitability. Nevertheless, the industry needs to meet the expectations of clients, who are looking for increasingly tailored investment solutions that integrate ESG issues.

Against a backdrop of continued pricing pressure, rising costs (particularly due to regulatory requirements) and political and economic uncertainties, the global asset management industry saw a slowdown in revenue growth in 2019 and a decline in assets under management for the first time since the 2008 financial crisis.

Asset managers increasingly need to demonstrate their added value to clients and regulators at a time of strong growth in passive management, particularly among Retail clients.

In an uncertain environment marked by persistently low interest rates, clients – both Retail and Institutional – are looking for tailored, flexible and global solutions that can include both traditional assets and real and alternative assets. Comprehensive, turnkey solutions offer prospects of high inflows in the medium term for asset managers such as Amundi, which has a range of expertise across the entire investment spectrum and relevant allocation capabilities.

Furthermore, investors have many expectations of their asset managers regarding Responsible Investment, which has become a new standard. This booming market now accounts for approximately 40% of assets under management worldwide.

The industry must therefore adapt to these changes, which have become structural. The search for cost efficiency, the achievement of critical size through mergers and partnerships, and the development of distribution and management capabilities are the main markers of the strategic decisions made by asset managers. Process digitalisation provides many solutions to these objectives and is also a growing challenge for asset managers.

That said, these challenges should not detract from the long-term supportive factors enjoyed by the asset management industry.

First, the need for savings solutions for individuals in emerging Asian countries, particularly China and India, where Amundi has forged partnerships with leading players.

Retirement support is another key growth driver in the deployment of new plans through capitalisation in Europe and Asia.

The integration of non-traditional investment strategies (notably real assets) and the provision of fiduciary and technological services to clients, covering the entire value chain, are two additional growth levers for the industry.

The global spread of the coronavirus from early 2020 will impact economic growth and increases global recession risk. The decline in asset valuations, potentially accelerated by client redemptions, will likely weigh on industry profitability in 2020.

2019 key figures

2019 was another year of transformation, in line with the trajectory charted by Amundi since its creation. Amundi is now the European leader in asset management, with €1,653 billion in assets under management at the end of 2019.

+€107.7bn
Net inflows⁽¹⁾

€1,653bn
Assets under management⁽¹⁾

€323bn
Assets under responsible investment management

Financial results

€2,707m
Net revenues⁽²⁾

€1,331m
Gross operating income⁽²⁾

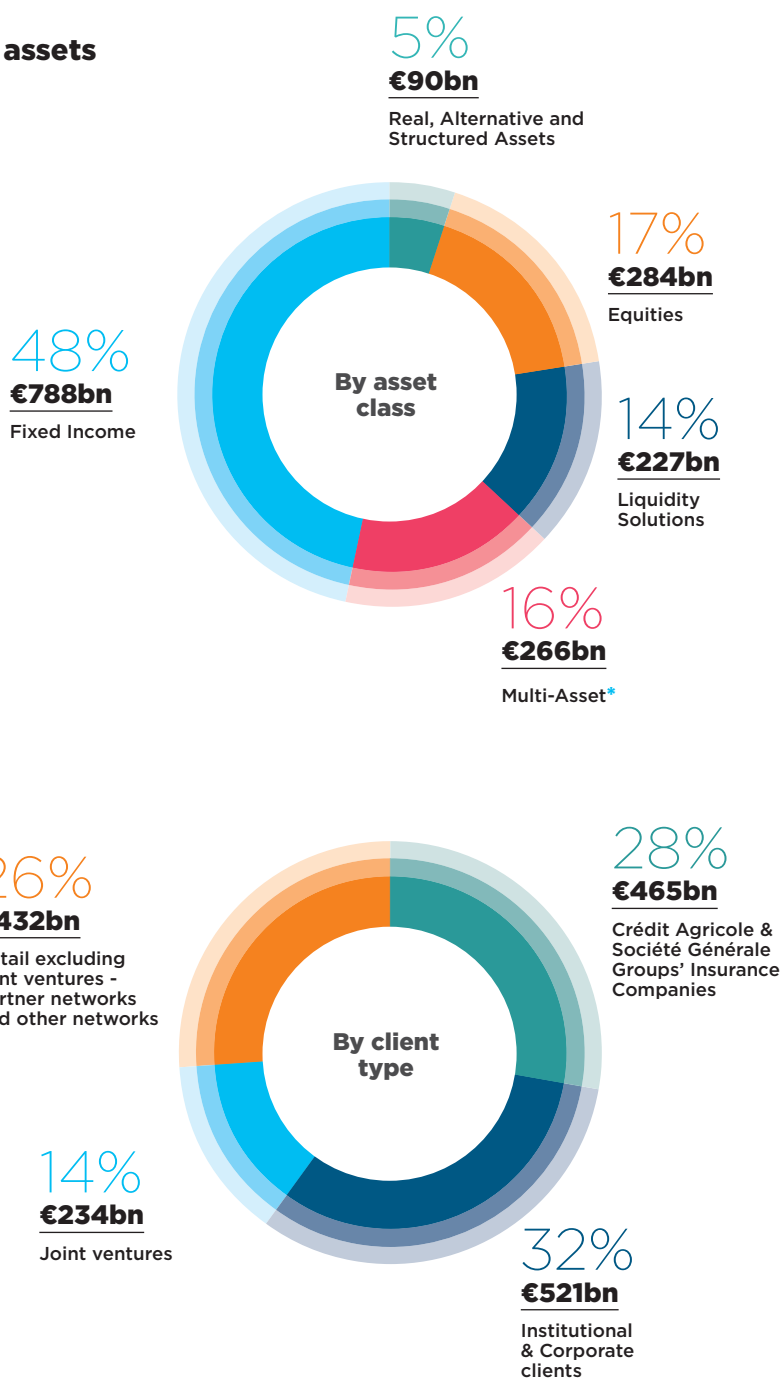
€1,009m
Net income, Group share (adjusted)⁽²⁾

Cost-income ratio⁽²⁾
50.9%



(1) Net inflows and assets include assets under management and under advisory and assets sold and take into account 100% of the Asian joint ventures' net inflows and assets under management. For Wafa in Morocco, assets are reported on a proportional consolidation basis. (2) Adjusted data: excluding amortisation of distribution contracts (UniCredit, Société Générale and Bawag).

**Breakdown
of combined assets**
as of 31/12/2019



2019 activity and results

In 2019, Amundi once again achieved growth in profitability in line with objectives, thanks to higher revenues and tight cost control. The cost-to-income ratio stood at 50.9%, an improvement of 0.7 point compared with 2018. Accounting net income amounted to €959m (+12.2%). Amundi also recorded a high level of activity with the best net inflows in its history: +€107.7bn.

Robust earnings growth

For the tenth consecutive year, Amundi recorded growth in accounting net profit with an increase of 12.2%. This reflects business momentum, revenue growth and tight cost control.

Adjusted net income⁽¹⁾ reached €1,009m, an increase of 6.6% compared with 2018, in line with stated objectives.

- **Net revenues⁽²⁾ amounted to €2,707m, a significant increase (+4.9%)** compared with 2018. Net investment income was up 2.2% thanks to a very good level of performance fees, which reached €171m (+49% versus 2018).
- The rise in **operating expenses** was well-contained (+3.5% compared with 2018); it is attributable mainly to the unfavourable exchange rate effect and to the increase in variable compensation.
- As a result, the **cost-to-income ratio** ended at **50.9% (an improvement of 0.7 point** compared with 2018), remaining one of the best in the sector.
- The contribution from **equity affiliates** was €46m, reflecting both continued growth in India and Korea and a slight decline in China.

Record inflows in 2019

In 2019, Amundi achieved the best net inflows in its history: +€107.7bn.

The Retail segment recorded net flows (excluding joint ventures) of +€6.1bn,⁽³⁾ thanks to sustained activity by third-party distributors and international networks. In the **Institutional segment, net inflows rose to +€18.9bn,⁽⁴⁾** driven by all segments.

The **joint ventures posted vigorous inflows (+€84.6bn), particularly in India** with an acceleration in the Institutional segment, as well as in Korea (+€6.7bn).

Finally, the strong level of activity benefited from two factors:

- **the success of growth drivers and product innovation:** passive management, ETFs and Smart Beta* attracted inflows of +€16.2bn, real and alternative assets +€5.7bn;
- **dynamic, consistent management performance:** almost 80% of assets under management in open-ended funds are classified in the first two quartiles over five years.⁽⁴⁾

(1) Excluding amortisation of distribution contracts and, in 2018, excluding Pioneer Investments integration costs. (2) Excluding amortisation of distribution contracts (UniCredit, Société Générale and Bawag). (3) In medium and long-term assets: excluding cash. (4) Source: Morningstar Direct, open-ended funds and ETFs, global scope excluding feeder funds, as at end-December 2019 - 678 funds or €438bn. (5) Including the provisioning of dividend, which won't be proposed for vote at the shareholders' meeting (decision of 1st April 2020). The allocation of the entire 2019 results to previous retained earnings will positively impact this ratio by more than 500 bps to over 20%.



Strengthened financial structure

The financial structure was strengthened in 2019: tangible shareholders' equity amounted to €2.7bn, up €0.4bn from year-end 2018. The CET1 ratio stood at 15.9%⁽⁵⁾ at year-end 2019 (versus 13.2% at year-end 2018), well above regulatory requirements.

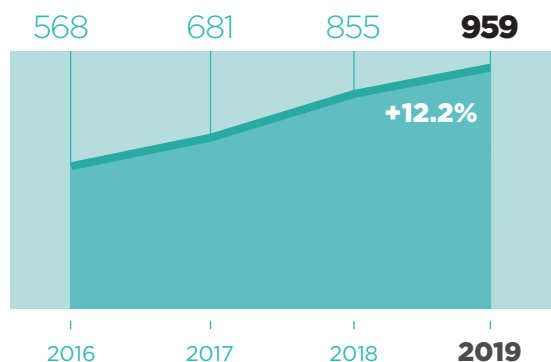
As a reminder, in May 2019, the rating agency Fitch Ratings affirmed Amundi's A+ rating with a stable outlook, the best in the sector.

Dividend

In accordance with recommendations published by the European Central Bank, Amundi decided not to submit a dividend pay-out at its shareholders' meeting held on 12 May, 2020.

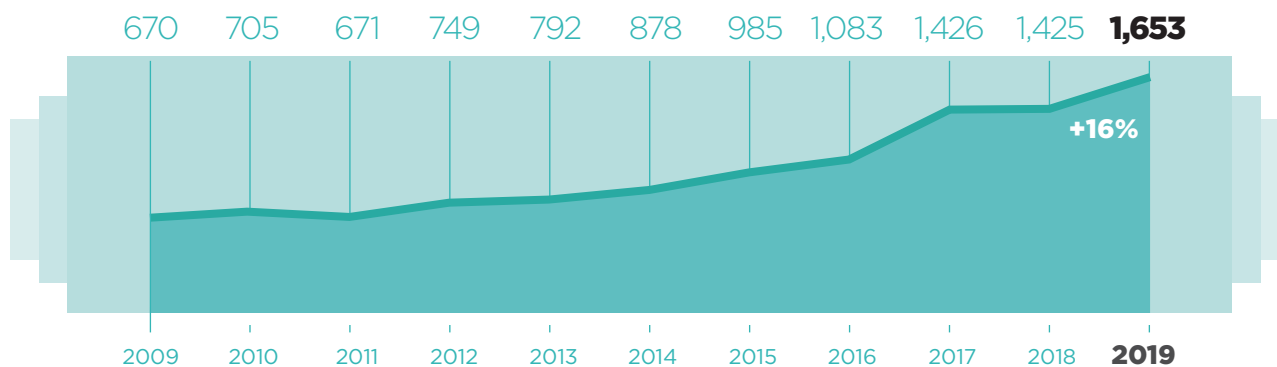
Net accounting income (Group share)

(in €m)



Growth in assets under management 2009-2019

Assets under management at year-end, in €bn



Amundi on the stock market

2019 was a remarkable year on the stock market for the Amundi share, which ended the year at €69.9, in bull markets. The Group's market capitalisation of €14.1 billion⁽¹⁾ remains the largest in Europe and among the top 5 of traditional listed asset managers worldwide.

Nicolas Calcoen,
Head of Finance,
Strategy and Public Affairs

Looking back, what is your take on Amundi's performance in the stock market?

Listed on the stock market in November 2015 at €45, Amundi shares have performed very well since then (+55.3%⁽¹⁾), outperforming both their listed European peers and the CAC 40 index. This trend is attributable to Amundi's strong operational and financial performance, as well as the value creation linked to the integration of Pioneer Investments. TSR⁽²⁾ is very positive: 80%⁽¹⁾. As was the case for all financial stocks, 2019 was a good year on the stock market for Amundi shares, which ended the year at €69.9 after a mixed 2018. The share price rose by 51.4% in 2019, twice as much as the French market (+25.2% for the SBF 120).

What is the financial community's opinion on Amundi shares?

The opinion of investors and financial analysts remains highly positive. The shares' track record since the IPO has demonstrated the Group's growth potential and the resilience of its results, thanks to its diversified business model. The overwhelming majority of financial analysts have a 'buy' opinion on our stock. In addition, recently announced strategic initiatives in Spain and China have been very well received. In an asset management industry facing many challenges, Amundi is considered a solid player with significant growth prospects.



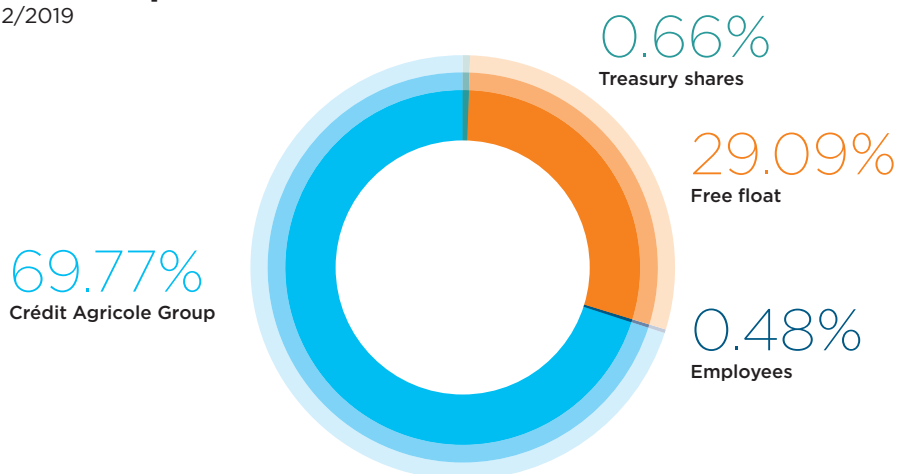
Who are Amundi's shareholders?

"Stable" shareholders (the Crédit Agricole Group and Amundi employees) account for more than 70% of the share capital. It should be noted that the proportion of employees has grown to 0.5% of the capital, a testament to the success of the capital increase reserved for employees in November 2019. The free float (29% of the share capital) consists mainly of institutional shareholders with the following geographical breakdown: UK and US shareholders represent 51%, French shareholders 20%, with the remainder divided between continental Europe and Asia. We meet regularly with our shareholders in order to maintain the trusting relationship established since November 2015.

(1) As at 31/12/2019. (2) Total shareholder return: change in share price at 31/12/2019 + dividends paid in 2016, 2017, 2018 and 2019 + detachment of the preferential subscription right in March 2017. (3) Compared with the share price on 31/12/2019.

Breakdown of capital⁽³⁾

As at 31/12/2019



Dividend

In accordance with the recommendations published by the European Central Bank, Amundi decided not to submit a dividend pay-out at its shareholders' meeting held on 12 May, 2020.

Indices

The Amundi share is included in the **SBF 120** and **MSCI**, broad-based indices, as well as the **FTSE4Good** and **Euronext Vigeo Eiris** CSR indices.

Financial calendar

31 July, 2020

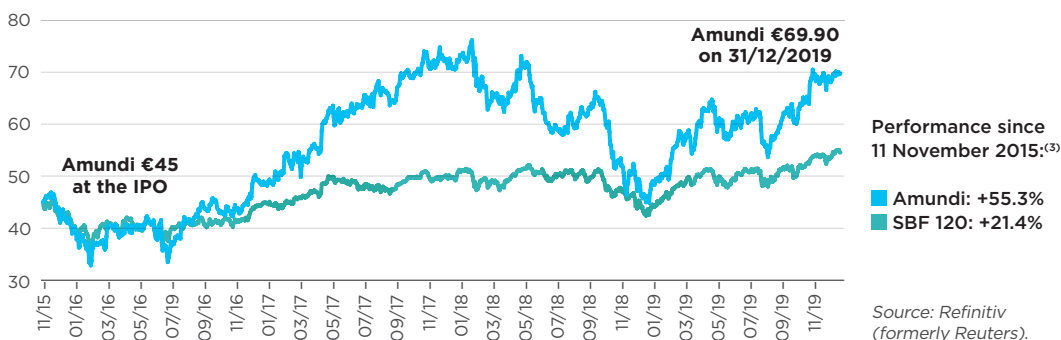
H1 2020 results

31 October, 2020

9m 2020 results

Change in Amundi's share price

Comparison with the SBF 120 index (recalculated on the basis of the share price)



A leader in Responsible Investment

Responsible Investment is one of Amundi's four founding pillars. Since its creation, the Group has been fully aware of its responsibilities as a participant in the economic and financial sphere, as well as its pivotal role in directing flows of capital.

A pioneering champion of Environmental, Social and Governance (ESG) awareness, Amundi is today an internationally recognised authority in the field, managing more than €320 billion in Responsible Investment assets. Amundi has contributed to the rise of the green bond market via innovative investment solutions it has launched with prestigious partners. These include: the International Finance Corporation (IFC) in emerging markets, the European Investment Bank (EIB) in the European private debt market and the Asian Infrastructure Investment Bank (AIIB) in Asia. Amundi is also a committed member of market initiatives such as the One Planet Summit and Climate Action 100+. Lastly, the company has an active and engaged voting policy focused on two priorities: corporate contributions to energy transition and to social cohesion.

The year 2019 confirmed that ESG criteria are here to stay and are set to play a major role across asset management industry. Initially a European phenomenon among Institutional investors, demand for more responsible asset management has become a worldwide phenomenon.

**AuM in
Responsible Investment**
(at 31/12/2019)

€323_{bn}

x10
since
Amundi was created

x2
since
IPO



Changes between October 2018 and December 2019

Targeted initiatives (Energy Transition):

Amundi Finance et Solidarité Fund*:

From **€10**bn to **€12**bn

From **€205**m to **€257**m

Retail clients across Europe, the United States and Asia have in turn become more in demand with regard to the purpose and environmental or social impact of their investments. Combining a widely recognised best-in-class⁽¹⁾ approach and a capacity for both innovation and building partnerships with clients, Amundi seeks to integrate ESG criteria into all of its asset management activities. *“The commitments made by the Group since its creation, which were further reaffirmed and strengthened at the end of 2018 with the objective of 100% ESG management by 2021 for open-ended funds in active management, are perfectly in line with market expectations,”* asserts Stanislas Pottier, Chief Responsible Investment Officer. ESG criteria are very much at the heart of Amundi’s investment process. The Group has developed an in-house methodology for non-financial analysis, complemented by ongoing dialogue with issuers.

Since 2019, the engagement strategy has been further enhanced by implementation of a voting policy that incorporates ESG criteria. In addition, Amundi has considerably expanded its rating universe. *“More than 8,000 issuers are now rated, compared with some 5,000 at the end of 2017,”* highlights Stanislas Pottier, noting that Amundi is also one of the few asset managers to possess a framework for rating unlisted assets. The organisational and methodological steps taken in 2019 will enable the Group to meet its stated objective of becoming 100% ESG in its ratings, management and voting. As a corollary, Amundi is also determined to offer investment solutions that outperform the market in ESG.

ESG ambitions

At year-end 2021

As at 31/12/2019

ANALYSIS

Increase number of issuers covered from 5,500 to 8,000

→ > 8,000 issuers covered

In active management, 100% of open-ended funds with an ESG score higher than that of their benchmark index (or investment universe)

→ 50% of open-ended funds

ENGAGEMENT

Systematically include ESG issues in voting policy

→ 2 priorities: Energy transition & Social cohesion

Step up our specific Environmental and Social initiatives, doubling assets under management from €10bn to €20bn

→ €12bn

Strengthen our advisory role by helping institutional investors to take into account ESG criteria

→ Deployment of Advisory and Services offering

SOLIDARITY

Increase our commitments to an economy based on social cohesion and solidarity, increasing AuM from €200m to €500m

→ €257M AuM in the Amundi Finance et Solidarité Fund

(1) An ESG stock-picking strategy that favours the best-rated companies in a given sector from a non-financial standpoint.

Is being an international Group an advantage or a source of complexity in managing diversity?

Isabelle Senéterre,
Head of Human Resources



How does Amundi approach the issue of diversity?

Diversity is not an end in and of itself. It is a value we are committed to and seek because we believe that differences, individual differences, enhance the overall – and thus collective – capabilities of the company. In other words, we do not approach diversity as a constraint, but as a reality and an opportunity in both human and managerial terms. The moral foundation of our actions is equality of opportunity. In short, we combat stereotypes by taking action upstream. For example, we have decided to train all of our managers on the subject of non-discrimination. We also ensure that all of our HR processes guarantee this equality. However, apart from a few exceptions, we refrain from quota or “diversity management” policies. The increasing multiculturalism within the Group is a good example of this. This shift by no means reflects a policy decision with measurable objectives. Instead, it is a natural consequence of Amundi’s growing internationalisation, and this internationalisation proceeds from a strategic decision spearheaded by the Group’s development objectives.

Does your status as an increasingly international Group make the issue of diversity more complex?

The uniqueness of the Amundi model is in no small part responsible for the company’s successful integration of international business. Our company is primarily governed by women and men who share a set of principles and objectives. This attitude leaves significant room for the expression of local specificities

and initiatives, none of which, naturally, prevents us from promoting what we consider to be socially beneficial. True, the Group’s corporate culture is built around core values – entrepreneurship, a culture of results, collective efficiency, exemplary management, etc. – but it is also founded upon a common social base which takes on even greater scope as internationalisation continues apace. For instance, we recently adopted specific measures to support parenthood. These have entered into force in every country where Amundi is present. In many of these countries, the policies represent real social progress; they also serve as an accelerator of professional equality between men and women...

“Diversity is a value we are committed to and seek because we believe that differences, individual differences, enhance the overall – and thus collective – capabilities of the company.”

H HIGHLIGHTS

Spotlight on women at Amundi

Women can be found in a multitude of management positions at Amundi. Several are country managers at Amundi's leading offices: Cinzia Tagliabue in Italy, Evi Vogl in Germany, Lisa Jones in the United States, Nesreen Srouji in the United Arab Emirates and Tove Bangstad in the Nordics. Other women, such as Fannie Wurtz in passive management, head up a business line. And lastly, no less than three women sit on Amundi's General Management Committee: Isabelle Senéterre, Valérie Baudson and Cinzia Tagliabue. The latter two were recognised in 2019 by Financial News as two of the most influential women in European finance. Nesreen Srouji received the same commendation for the Middle East region. And Evi Vogl was, for her part, named Woman of the Year in Germany by *Fondsfrauen*.



38th

Amundi's ranking in the *Le Point* survey of women directors among SBF 120 Index companies (December 2019).

"A powerful mechanism for promoting diversity"

Isabelle Coquelle-Ricq,
Head of CSR, Diversity
and HR Communication



Can you tell us about the "Lycée" Jean Monnet in Garches?

The EREA⁽¹⁾ Jean Monnet is a vocational school for students with disabilities. Attendees benefit from an ecosystem that combines education with medical and psychomotor support. The school stands out for its training in tertiary sector professions, including a course leading to a professional baccalaureate in administrative management.

What kind of a partnership does Amundi have with the school?

Since 2012, Amundi has welcomed four students per year for an eight-week internship. We work with the school to identify positions offering the required adaptability and flexibility. We also bring "tutors" on board; these are Amundi employees who are committed to this approach. This allows us to offer internships that correspond with real-world tasks.

What has the response been like?

It is an overwhelmingly positive experience. On the intern side, the feedback is enthusiastic. Some students return to work as summer assistants. For Amundi, this type of partnership is perfectly in line with our social commitments. These students give us a great lesson in courage and enable our employees to approach disability in a different way. It is a very powerful mechanism for promoting diversity...

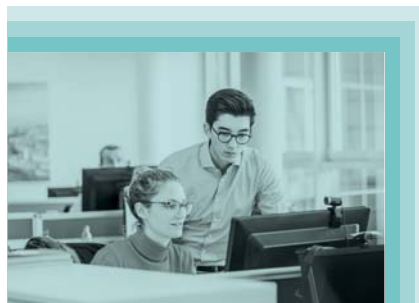
"As part of their studies, our students are required to complete an eight-week internship that counts towards their diploma. Since 2012, Amundi has supported us in this process by welcoming four students each year under exceptionally favourable conditions."

Valérie Urvoy,
Headteacher, Lycée Jean Monnet (Garches, France)

(1) Établissement Régional d'Enseignement Adapté - French Regional Establishment of Adapted Education.

Amundi advises METI

Held in Tokyo in October 2019, the inaugural summit of the *Task Force on Climate-related Financial Disclosures* (TCFD) brought together executives from the world's leading companies, financial institutions and other global organisations, more and more of whom are pledging support for the TCFD and its mission of promoting financial transparency of climate risk. The conference was organised concurrent with Japan's G20 presidency by the country's Ministry of Economy, Trade and Industry (METI) with the support of Amundi, the only non-Japanese financial player with a seat on the consortium's strategic committee.



Amundi endorsed by its trainees

For a sixth consecutive year, Amundi has been awarded the *Happy Trainees* label, which recognises companies for the quality of their welcome and the support they offer interns and work-study students. In 2019, the survey, conducted by ChooseMyCompany, assessed the quality of the programmes and oversight at more than 3,000 companies, based on a questionnaire sent to 64,000 students at the end of their assignments. The Amundi Group earned an overall score of 4/5 and a recommendation rate of 91.5%. Interns and work-study students who responded to the survey particularly appreciated the opportunity to gain professional experience with a recognised asset manager.



ESG teams that are closer to hand

Recently, Amundi reorganised its ESG Research teams. Now, ESG analysts are physically embedded within each of the Group's investment platforms in Paris, London, Dublin, Tokyo and soon, Boston and Milan. These teams will contribute to generalising the ESG culture of Amundi's Investment teams, in collaboration with ambassador portfolio managers known as "*ESG Champions*", already in charge of promoting an ESG approach amongst their peers and participating in the Group's discussions on the best rating methodologies for each asset class.

The *Comité Médicis* is working on a fairer energy transition

Backed by Amundi, the *Comité Médicis* is a think tank that investigates the principles, techniques and impact of Responsible Investment. In 2019, it organised two major public events to share the current state of its research. Dedicated to the theme of "a fairer energy transition", the first of these featured climatologist Jean Jouzel and Total's Chairman and CEO, Patrick Pouyanné. The second, which explored the links between companies and their nationalities, brought together Pierre-André de Chalendar, Chairman and Chief Executive Officer of Saint-Gobain, and François Lenglet, a French columnist specialising in economic topics.

Amundi's Planet Emerging Green One* garners multiple awards

Jean-Jacques Barb  ris,
Head of Institutional
and Corporate Clients
Coverage



What is the Amundi Planet Emerging Green One Fund?

Amundi Planet Emerging Green One (EGO) is a closed-end fund launched jointly in 2018 with the World Bank's International Finance Corporation (IFC) and backed by a coalition of institutional investors. It is the world's largest green bond fund invested in emerging markets, with \$1.5bn in AuM. I would also add that it is ahead of schedule in rolling over from ESG-screen unlabelled bonds to green bonds, at 31.8%. This is close to twice the 15% target initially set for year two of the programme, which aims to invest all assets under management in green bonds over a seven-year period.

To say it has been well received is an understatement...

Amundi Planet EGO fund was recognised several times, receiving the PRI's "Real World Impact Initiative of the Year" prize at the UN PRI (Principles for Responsible Investment) in Person event, as well as being named "Green Bond Fund of the Year" by *Environmental Finance* and "Initiative of the Year for Innovative Thinking."

How does this fund fit with Amundi's general approach to ESG?

It is certainly consistent with our desire to strengthen the market as a whole. Paired with a technical assistance programme to support green bond issuance, the fund is designed to encourage new green bond issues in emerging markets, to increase the diversity of green bonds for investors and to provide additionality.

"The fund encourages emerging market banks to make more green investment, and the IFC is helping to build capacity for them to do this."

Jean-Marie Masse,
Chief Investment Officer, IFC

Amundi supports sovereign wealth funds in their climate goals

Amundi fully supports members of the One Planet Sovereign Wealth Fund (OPSWF). In 2018, this working group, which brings together the world's largest sovereign wealth funds,⁽¹⁾ committed to implementing a joint framework for integrating climate issues into their investment processes. In July 2019, Amundi and seven other asset managers founded the One Planet Sovereign Wealth Fund Asset Managers initiative to support their approach and to accelerate its deployment.

(1) Norway, New Zealand, Qatar, Saudi Arabia, Kuwait, United Arab Emirates.

Employee engagement keeps up the pace in 2019

For a fourth consecutive year, Amundi surveyed employee commitment to the company and to the Cr  dit Agricole Group. The questionnaire was sent to more than 4,000 individuals in France and 15 other countries. A substantial 76% of employees participated in the survey, a 17% increase compared with 2018. Amundi's score was 67% positive overall, increasing to 72% for Amundi-specific questions. These results bear witness to our teams' strong commitment to the Group.

8,000

is the number of issuers to whom Amundi's teams assign an ESG rating at year-end 2019. This number was 5,500 at year-end 2018.



CLIENT



TS

Amundi offers its 100 million Retail, Institutional and Corporate clients a full range of savings and investment solutions. Its six international investment hubs, located in Boston, Dublin, London, Milan, Paris and Tokyo combined with its foothold in nearly 40 countries are standout qualities, ensuring that solutions are aligned to their needs.

Sustained network business and significant contributions from subsidiaries

At €107.7 billion, Amundi recorded its highest ever net inflows in 2019. While contributions from joint ventures grew especially quickly, all client segments made gains. And as in 2018, the majority of investors favoured medium- to long-term assets.

Networks and third-party distributors

In the context of gradually stabilising risk aversion, net savings flows from individuals served by Amundi's partner networks and third-party distributors rose sharply once again.

Assets under management increased by 10.8% overall among French and international networks and third-party distributors (networks outside the Crédit Agricole Group). Third-party distributors, in particular, had an exceptional year, contributing inflows of €5.7 billion. Similar to the year before, discretionary portfolio management solutions proved particularly popular. Following a successful roll-out in Italy, they will be introduced in Germany and Austria in 2020, with ambitious targets for conquering the market. Amundi also continued to develop new offers addressing market expectations. In response to concerns generated by market volatility, structured solutions with a low risk profile – formula funds or buy and watch* solutions – were promoted to partner networks. Adapted to local requirements, these solutions have also achieved great success, making Amundi Europe's leader in this type of investment formula. The Group also enhanced the range of its solutions offering strong ESG components by adding new themes, such as sustainable urbanisation and social impact. This strategy will continue and expand in 2020, as promoting Responsible Investment is more than ever a strategic priority for the Group. Amundi will also continue to streamline its various product ranges. In 2019, the merger of its two Sicav* in Luxembourg was finalised. In 2020, we should see the consolidation of local offerings completed.

Partnerships are another area on which Amundi intends to focus. Ramp-up will include the launch of new products, particularly in real or structured asset classes, new modules offering high added value, within its digital advisory platforms and new initiatives in pension solutions. The agreement signed in January 2020 with the Spanish bank, Banco Sabadell, will also contribute to this development.

Lastly, the contribution of the Group's joint ventures to its overall inflows has once again increased. Especially of note is the Indian joint venture, which amassed €83.9 billion in net subscriptions during 2019, nearly three times more than in 2018. This trend is expected to continue in 2020, as Amundi has just secured a licence to set up a new joint venture with Bank of China, China's fourth largest bank, in which it will have a majority stake, a first for a foreign player.

**+€107.7
bn**
Net inflows in 2019

Institutional and Corporate clients

Despite markets rendered volatile by economic and geopolitical uncertainties, Amundi strengthened its position among Institutional and Corporate clients. Assets managed increased by €94 billion in 2019, up 10.5% year-on-year. Net inflows (+€18.5 billion) were concentrated on long-term strategies.

Institutionals

In particular, the Group has made strides with sovereign entities and major international organisations, especially in Asia and the Middle East. Of particular note are new mandates from the AIIB⁽¹⁾ (€1.8 billion) and sovereign funds in the Middle East and Asia

(€4.2 billion). Central banks that were clients already expressed their continued confidence; Amundi earned the title “Asset Manager of the Year” at the Central Banking Awards. Amundi has also increased its visibility among insurance companies in France and abroad.

Meanwhile, it has bolstered its institutional offering. In addition to its new initiative in green impact bonds alongside the AIIB, Amundi partnered up with the EIB⁽²⁾ to launch the Green Credit Continuum programme. It also responded to growing demand for real estate assets, including several high-profile acquisitions made on behalf of Institutional clients. As in previous years, the Group upscaled its range of high value-added services (research, ESG, trading solutions, asset allocation), while continuing to offer an array of investment solutions that is among the most comprehensive on the market. This strategy will continue through 2020, with further innovations to come, particularly in ESG and overlay solutions.

Geographically, Amundi’s priority for development will be Europe, North Asia and Japan. Increasing Amundi’s presence in the US institutional market will also be a focus.

Corporates

Cash management solutions for Corporate clients had a mixed year, although they rebounded sharply in the third quarter. As in 2018, these products faced increasing competition from banks re-intermediating money

market deposits. Nevertheless, Amundi has maintained and solidified its leading position in this market, both in France (49.2% market share) and in Europe (13%), thanks to its standard variable net asset value money market solutions. Its euro-denominated assets under management for an international clientele are at an all-time high (over €43 billion). Assets under management in US dollars have increased significantly, notably due to the growing success of the Amundi Fund Cash USD* fund, whose capitalisation now exceeds €4 billion.

The Group also continued to expand in the European pension fund market. Further significant inroads were also achieved in the employee and retirement savings market in France, where it gained high-profile SBF 120 clients and established new industrial partnerships with insurance and social protection groups. Already the market leader, Amundi has now strengthened its market share, which stood at more than 45% by year-end 2019, with €66.3 billion in assets under management in employee savings and pension schemes. The goal for 2020 is to become a key player in the corporate retirement savings market. This will entail leveraging the PACTE law⁽³⁾ with the creation of a new collective or mandatory PER for companies, which promotes these types of savings, and capitalising on technological innovations that Amundi has introduced in recent years, including a common pension fund platform between Crédit Agricole Assurances and Amundi and robo advisor.



- (1) Asian Infrastructure Investment Bank.
- (2) European Investment Bank.
- (3) Action Plan for Business Growth and Transformation (French law).

Discretionary portfolio management: growing success across Retail networks

Fathi Jerfel,
Head of Retail Clients Division

What, in your view, explains the expansion and success of discretionary management in the past few years?

Discretionary portfolio management is a contractual agreement for a period of time, between an asset management company and their clients. Delegation can be total: the portfolio manager has free rein in day-to-day oversight of the sums entrusted to them, managers are nonetheless accountable to their clients. Delegation may also be partial (advisory management), or limited to providing investment management tools. What drives the success of these services? To begin with, they come into their own as part of the client-focused strategies that most banking networks are pursuing today. Having a mandate strengthens the mutual ties and loyalty between financial advisor and client. Second, accelerating digitalisation makes possible offerings on an industrial scale, thereby democratising a concept formerly reserved for the few. And lastly, discretionary management allows distributors to comply with new regulations, notably those requiring the proof that clients regularly receive actual advice.

What is Amundi's positioning on this type of offering? And what makes them stand out within the marketplace?

Amundi began positioning on discretionary portfolio management more than five years ago. And there is no question that the Group has a technological and commercial edge over competitors in this area. Discretionary Portfolio Management is more than a financial offer: it is an organisation with dedicated teams

and a technology platform that can handle the requirements – particularly in terms of Information Technology – of each distribution network. Amundi is one of the first asset managers to have a flexible architecture, largely shared and regularly expanded with new services. Experience acquired, initially with French networks, has allowed us to deploy an ambitious development plan, both as regards client segment and geographic coverage. Following the 2019 launch in Italy, 2020 will see the launch of our offering in Germany and Austria. On this basis, we have set a two-year target of adding some 100,000 new clients on an annual basis.



H HIGHLIGHTS

Amundi Pioneer advises Spain's leading asset management firm

Illustrating the benefits of the Amundi - Pioneer Investments merger, Spain's leading asset manager CaixaBank AM has chosen Amundi Pioneer for its US Fixed Income Fund*, a key building block in its new discretionary portfolio management offer, "Carteras Master." Amundi Pioneer advises the fund on a wide universe of US fixed income public and private issues. CaixaBank AM selected Amundi Pioneer for its solid investment process and strong track record. The firms chosen to advise their 'Master' portfolios, including Amundi, were featured in marketing campaigns during the roll-out of the new product to CaixaBank Group's clients.



Internationalisation is making strides in the speed and breadth of our Retail platform's offering

Cinzia Tagliabue,
CEO Italy



What are the mutual benefits of the discretionary management partnership for Amundi and UniCredit?

As an asset manager, we can be a partner with our distributors to offer their clients solutions in line with their risk profile and targets. The discretionary mandate is the right approach to add value to clients building a long-term relationship. Capitalising on our IT expertise allows us to industrialise private banking, and we gain valuable technical expertise in developing the platform in a new region, handling the requirements of each distribution network.

How exactly are you proceeding with the expansion?

We are moving step-by-step by geography and segment. Each new region involves investment in building and testing the platform to work with the distributor's systems and to comply with local legislation. Agility is crucial to getting products out quickly and across countries. We are making gains in time to market, at 2-3 months, down from almost a year.

Italy is online, which countries are expected for 2020?

We launched the platform in Italy in 2018, on a segment of €60,000 and up. This year we should be in Germany, at HVB, and in late 2020, Austria, with Bank Austria. Within 2 years, 100,000 new clients annually should be a realistic ambition.

"At UniCredit we see this partnership as a way of adding value for our clients and building long-term relationships. Amundi's platform translates into bespoke advice for more of our clients and allows us to comply affordably with MIFID II."

Renato Miraglia,
Head of Private Banking Italy, UniCredit

Amundi expands “Buy & Watch*” range

In May 2019, Amundi launched the first sub-fund in a new family of “Buy & Watch” funds. Amundi Fund Solutions Buy & Watch Income 06/2025* invests on a diversified basis in bonds selected and managed by a team of credit experts. Its aim is to provide regular annual income for six years based on coupons paid and capital appreciation over the recommended investment period.

Amundi renews South Korean partnership

In September 2019, Chief Executive Officer of Amundi, Yves Perrier, travelled to Seoul to renew and scale up Amundi’s 17-year partnership with NH Group. The firm is one of Korea’s largest financial groups and the country’s largest banking network, with 29 million clients. The new shareholder agreement opens up opportunities to develop the NH-Amundi joint venture, whose €31 billion in assets under management already earn its seventh place in rankings of the South Korean market’s 260 asset managers.



“Trajectoires Patrimoine” meets with success

More than 500,000 clients have taken advantage of “Trajectoires Patrimoine” since its launch in late 2018 at Crédit Agricole regional banks. This innovative and free wealth advisory service is designed to support clients in building, managing and protecting their wealth with a comprehensive approach, hand in hand with their advisors. Combining the full extent of Crédit Agricole Group’s expertise, including Amundi’s, Trajectoires Patrimoine will continue its roll-out.



Amundi joint venture SBI MF becomes India's leading asset manager

With exceptional inflows of more than €84 billion in 2019, SBI MF, Amundi's joint venture in India, has become the country's leading asset manager. This record growth can be traced to the signature of several institutional mandates with a total value of \$75 billion. In November, SBI MF passed the historic milestone of 10 trillion rupees (€128 billion) in assets under management.



Amundi gains a new strategic partner in China

In December 2019, the Chinese financial regulator approved the creation of an asset management joint venture between Amundi and Bank of China Wealth Management. As the first foreign company to receive such authorisation, Amundi is expanding its local footprint thanks to this significant new partnership with China's fourth largest bank. The agreement propels and supplements to Amundi's development strategy in China, where it already has a presence via its joint venture with ABC, China's third largest bank.

Structured products turn in strong performance

2019 was an outstanding year for Amundi's Structured Products business line. Structured products received a warm welcome from distribution networks, generating gross inflows of more than €5 billion in Europe, particularly in France (€3.5 billion) and Italy (€1.7 billion). And products that matured in 2019 delivered annualised net performance of 3.60% on average.⁽¹⁾

⁽¹⁾ Source: Amundi. Scope: France.

What does the rise of Responsible Investment mean for investments managed to a benchmark?

Dominique Carrel-Billiard,
Head of the Institutional
and Corporate Clients Division

Have you noticed a change in Institutional investors' attitude towards so-called "benchmarking" as pressure mounts for asset management to be more responsible?

The underlying need for a frame of reference that codifies the relationship between an investor and an asset manager, making it possible to assess the performance and qualities of a fund manager, has not changed at all. Institutional investors face a structural challenge - optimising the triad of risk, return and total costs associated with their financial management activities. A baseline for comparison is thus still very much needed. What has changed is the content of this frame of reference. Today, non-financial criteria are almost systematically included, and demand for ESG benchmarks is constantly growing.

What form does this desire for more responsible asset management take? And how does Amundi respond to this demand?

While it is clear that Responsible Investment is becoming mainstream, it is still a long way from being standardised. Investors have varying levels of maturity in terms of their ESG journey, and the focus of their respective approaches to responsibility differs significantly, especially by geography. For instance, many Institutional investors favour a risk-based approach. But other notions, such as impact investment, are also widespread. The role of an asset manager, upstream, is to help clients define their objectives. And to assist them in creating the frame of reference described above. This is what Amundi was founded to do, and

does on a daily basis. As for being responsible, the company has a well-known competitive advantage based on its thorough knowledge of ESG themes. Amundi was among the first firms to sign the Principles for Responsible Investment (PRI). And, I might add, it holds a leading position in the sector's commitment to combatting climate change. What's more, all funds under management are set to incorporate ESG criteria by 2021. Amundi is especially well-positioned and credible when it comes to supporting its Institutional clients in implementing their ESG strategies.



H HIGHLIGHTS

Amundi and AIIB innovate in climate investment

In September 2019, the Asian Infrastructure Investment Bank (AIIB) and Amundi launched a \$500 million climate bond fund to spur climate action by Asian countries members of the AIIB. The fund will mobilise the first-of-its-kind Climate Change Investment framework jointly developed by Amundi and the AIIB, investing in labelled green bonds and unlabelled climate bonds with a view to identifying and supporting tomorrow's climate champions.



N°1

Amundi has consolidated its position as the French leader in employee and retirement savings schemes, with €66.3 billion in assets under management as at 31 December 2019, and a market share in excess of 45% that continues to grow.

Amundi garners another Austrian Ecolabel

GF EM Bond, an institutional mandate managed by Amundi Austria on behalf of APK Vorsorgekasse AG, became the 100th fund to receive the Austrian Ecolabel in the distinction's 30-year history and the 8th Amundi offering to be recognised as such. The honour was awarded in June 2019 by Austria's Minister for Sustainability.



Amundi's real estate debt to feather the Nest pension scheme

Thierry Vallière,
Head of Private Debt, Amundi

What is Amundi's mandate?

Amundi has been selected to manage a global real estate debt mandate for Nest in one of the first three credit mandates ever awarded by the UK government-backed pension scheme, which oversees assets of £10 billion on behalf of 9 million members. Nest is targeting an initial allocation of about 5% in private credit but is taking a staggered approach, investing around £500 million over the first 12 months.

Can you tell us about the Amundi team involved?

The Real Estate Private Debt team combines two areas where Amundi excels – Private Debt and Real Estate; both located within the Alternative and Real Assets platform. Launched in 2018, the real estate debt strategy raised more than €1 billion in its first 18 months. The new Nest mandate indicates this market's confidence in Amundi's Private Debt expertise and teams.

Nest is the UK's largest pension scheme. Bidding must have been intense...

Yes. Amundi was selected following a highly competitive open tender in which nearly 40 organisations applied. Amundi's core strengths played in our favour – focus on long-term relationships, leading player in private markets, ESG credibility and focus on meeting client needs and specificities.

“We are becoming one of the largest players in the UK pensions market and our investment strategy is evolving to reflect that, allowing our members to benefit from the sophisticated investment found in private markets.”

Mark Fawcett,
Chief Investment Officer, Nest



Launch of the new Enterprise PER scheme

The PACTE law (French Action Plan for Business Growth and Transformation), enacted in 2019, radically reshaped retirement savings in France with the creation of the PER (*Plan d'Épargne Retraite*) in October 2019. Amundi *Épargne Salariale et Retraite* now offers Corporate clients, – for the 2.7 million eligible savers and prospects they represent – a brand new collective embodiment of the corporate PER (PER COL and PER COLi). Meanwhile, an ongoing partnership launched in 2016 with Crédit Agricole Assurances is creating a unified administrative platform for managing employee saving and pension schemes (PER COL and PER O).



Amundi recognised at the AM Tech Day Awards

Amundi *Epargne Salariale et Retraite* has been crowned “AM Tech Leader 2019” for best customer service. The prize, awarded by France’s Agefi, acknowledges the efforts of Amundi’s teams dedicated to employee savings and pensions to innovate and educate, as well as their unwavering commitment to clients.

Amundi Alternative and Real Assets: more than €50bn in AuM

This Amundi platform celebrated its 3rd birthday with panache. Its striking success – particularly its real estate solutions and private debt platform, which now oversees some €7 billion – made it possible to pass the milestone of €50 billion under management in 2019. To mark the occasion, Amundi welcomed over 200 clients and retail distribution partners in October for an evening at the Pullman Paris Tour Eiffel, which belongs to the OPCIMMO OPCI* fund. Speakers and panellists addressed a range of issues, from the changing significance of real and alternative assets in portfolio allocation to their growing role in financing the world’s economies.

3rd
anniversary

€50bn
in AuM

Amundi Real Estate* signs three emblematic transactions

Under an 80-year construction lease, Amundi Real Estate has become co-owner of a portion of the Hôtel-Dieu, the capital’s oldest hospital, located opposite Notre-Dame de Paris Cathedral. The task of repurposing a third of the surface area occupied by this historic establishment was entrusted to Novaxia as part of an innovative project aimed at rethinking urban space. In particular, the plan will create a health and social services section incorporating an incubator dedicated to biotech start-ups.

In Lyon, Amundi Real Estate and Crédit Agricole Centre-est acquired 38 assets located on one of the city’s emblematic thoroughfares.

In yet another high-profile transaction for Amundi Real Estate: in July 2019, it acquired the Majunga Tower at La Défense on behalf of the funds it manages. Inaugurated in 2014, this asset complies with the very latest environmental standards. The acquisition was made in close collaboration with a consortium of investors led by Mirae Asset Daewoo, as the South Korean firm’s first transaction in France.





INVESTMENT MANAG



ELEMENT

Drawing on its fully integrated investment platform and extensive research and analysis capabilities, Amundi has developed a comprehensive range of services and expertise in active and passive management, traditional or real assets. Amundi's clients benefit from the advice of more than 750 experts.

Solid and regular management performances

Marked by an upturn in the equity markets and a general tightening of credit spreads, 2019 was an excellent year for active management. Whether in relative, absolute or competitive terms, Amundi's Investment teams stand out for the quality and consistency of their performance. 195 funds received 4- or 5-star ratings from Morningstar. Passive and thematic vehicles posted a record year for net inflows.

Active Management

Buoyed by market appreciation, assets under management in **Equity** strategies rose +17.4%.

European equities consolidated their relative positions on the Euro markets. Amundi Funds Euroland Equity* confirmed its status as the fourth largest European equity fund in its Morningstar category by assets under management. Most new inflows were directed toward ESG solutions, which are increasingly popular with all investor categories. The historic **US equities** fund, Amundi Funds US Pioneer*, dedicated to Responsible Investment from the outset, also reaped the benefits of its consistently strong performance, ranking in the first quartile for 2019 and the three-year period. Several solutions focused on **Emerging equities** also stand out for their performance and inflows. The Amundi Funds SBI India Equity* fund is one such case, having raised more than €445 million in subscriptions, receiving a 4-star rating from Morningstar.

Despite an environment marked by a decline in key interest rates for the most important central banks – with core Eurozone rates venturing into negative territory – **Fixed income** recorded significant positive inflows for 2019. Institutional investors were the top contributors to fixed income inflows at €7.2 billion. Network clients also strongly favoured the Buy & Watch* bond funds launched in 2019.

The Fixed Income teams developed diversified bond solutions with regard to issuers, sectors and regions (Europe, United States, emerging countries), mainly to European and Asian distributors.

In the United States, municipal bond funds*, multi-sector* and global corporate high yield* strategies also met with great enthusiasm. As for the Emerging Markets platform, the Amundi Funds Emerging Markets Bond fund* stands out in terms of subscriptions.

The **Multi-Asset*** strategy suffered from a shift in investors' portfolios towards bond and structured solutions in 2019. Notwithstanding, the platform is experiencing strong growth in bespoke dedicated network solutions, and especially discretionary management, which saw inflows of €4.7 billion. The newly expanded range of Responsible Investment solutions also attracted investors. For instance, the strategy implemented by the Amundi Funds Multi-Asset Sustainable Future* fund raised €700 million in 2019. As with two other funds from the Multi-Asset strategy, this fund enjoys a 5-star rating. Lastly, new and innovative vehicles for retirement savings were successfully rolled out in 2019.

Structured Products posted record net inflows (€3 billion), despite a more difficult environment than in 2018. The strategy consolidated a leadership position in Europe, thanks in particular to new breakthroughs in the French and Italian markets.

Building on its position as European leader in this market segment, the **Liquidity Solutions** business line secured several new institutional mandates that bolstered assets under management. Levels remained largely stable year-on-year, however, at €195 billion.

Passive Management

The **ETF, Indexing & Smart Beta*** strategies experienced yet another year of strong growth, bringing total assets under management to more than €133 billion at year-end 2019. Most notably, **Amundi ETF** posted a record year, doubling its inflows to €9 billion and confirming its fourth place position among European ETF suppliers with a growth rate significantly higher than that of its main competitors. And with €56 billion of assets under management, Amundi ETF strengthened its market share of assets. This increasing success is fuelled by the competitive and innovation-driven strategy the platform has pursued since it was launched, with achievements that have garnered several international awards. The 2019 financial year additionally featured an extension of Amundi ETF's offerings. One notable launch was Amundi Prime ETF*, the most affordably priced ETF range in Europe⁽¹⁾ which has already collected over €1 billion. Meanwhile, the **SRI*** and **Low Carbon*** offerings continued to develop. The platform also introduced its first ETC pegged to physical gold. **Smart Beta** solutions held the pace as well, with the roll-out of multi-factor discretionary solutions (€4.5 billion AuM at end-2019). The Dynamic Factor Investing* and Conservative* strategies turned in outstanding top-quartile performances for 2019. Looking to **Indexing**, fixed income solutions were increasingly popular, with more than €20 billion under management. Lastly, 2019 will go down as the year that fully consecrated the rise of ESG solutions across the board. This will be one of our priority focus areas in the business line for 2020.

78%
of our funds
in the first and second
Morningstar⁽²⁾ quartiles

Specific Management

In 2019, the **Alternative and Real Assets platform** passed the milestone of €50 billion in assets under management (€53 billion at end-2019). **Amundi Real Estate***, in particular, enjoyed another exceptional year in terms of inflows (€37.6 billion in assets under management at end-2019), confirming its standing as a leader in mass-market real estate vehicles while establishing its position among Institutional investors. **Private Debt** continued its expansion as well. Two new areas of expertise (**acquisition debt and real-estate debt**), successfully launched in 2018, contributed to bringing total assets under management to €6.1 billion. Amundi also strengthened its position in **private market multi-management**, via its subsidiary, Amundi Private Equity Funds, which raised €1.8 billion in 2019. And lastly, turning to **Infrastructure**, Amundi Transition Énergétique has an investment capacity of €2 billion. Among other achievements during 2019, this strategy completed several transactions involving solar farms in France.

Amundi is reinforcing its position in **environmental and social impact investing**. The company currently leads the green bond market, in part due to several major partnerships, notably with the International Finance Corporation (IFC) in emerging economies, with the Asian Infrastructure Investment Bank (AIIB) in Asia, and with the European Investment Bank (EIB) to finance “green” SMEs in Europe. In the realm of **social impact investing**, Amundi is now number one in France for social and solidarity impact investing, thanks to the socially responsible saving of some 1 million private individuals and several major Institutional investors committed to a more inclusive economy.

(1) Source: Amundi - Comparison based on ongoing charges for equivalent core ranges available in Europe. Bloomberg data as at 31/12/2019. Important: some funds may be individually more costly than equivalent European funds or may not have equivalents permitting comparison, and vice versa. (2) 5-year period: scope of open-ended funds.

What are the challenges in store for active management?

Pascal Blanqué,
Chief Investment Officer

What challenges does active management face today?

Persistently low interest rates, a more difficult market outlook, increased competition, liquidity risk management that has become inseparable from the risk/return trade-off, and the near-systematic integration of ESG criteria, all these are challenges facing active asset managers today. They must prove they can create value for the client, especially given the prevalence of a significant “winner’s premium”, meaning that the clients of asset management companies, whether Institutional or Retail, are seeking to refocus their flows on a limited number of asset managers. The traditional value chain must find ways to adapt and stand out not only in terms of performance, but also in terms of advisory and services, providing innovative investment solutions that precisely meet clients’ expectations while taking into account the market cycle. Thanks to the quality and depth of its investment platforms, Amundi has been able to turn these challenges into opportunities.

What are these opportunities and how can Amundi benefit from them?

The market for active management is more discriminating, which favours strategies genuinely capable of creating value. It has also expanded to embrace all the services an asset manager should be in a position to provide. This is an advantage for global players such as Amundi, whose credentials in all the aforementioned areas are undeniable. The organisation of our active management business, based on the concept of an integrated investment platform, has proven itself capable of generating performance. Amundi is also in a position to offer a full range of services, providing comprehensive coverage of both investment cycles

and clients’ needs, particularly in service and advisory. As regards growing interest in ESG criteria, this implies an emerging recognition of market inefficiencies, which are home turf for active management.

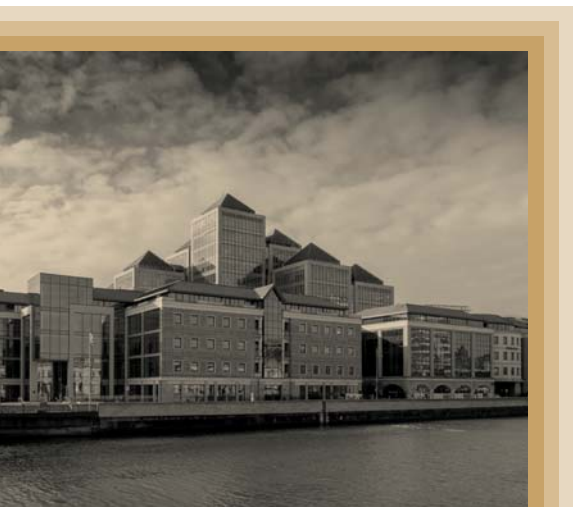
Amundi’s historical capabilities in Responsible Investment positions us advantageously to address these new trends. Provided, however, that we convey our expertise and distinguishing features effectively. It is all about building awareness, and this is something Amundi is addressing by increasing the visibility of its active management and research. Our goal is to lead in generating new ideas.



H HIGHLIGHTS

4- and 5-star ratings for 195 Amundi's funds

Funds managed by Amundi made a strong showing in 2019. Indeed, 64% of the company's investment solutions made the top two quartiles for the year and 195 funds have 4- or 5-star Morningstar ratings. These funds cut across all asset classes to include equities, bonds, Multi-Asset* and more, including long-term treasury management, proving that even in a negative rate environment, Amundi's solutions can deliver positive returns.



"The Green Credit Continuum: an initiative promoting sustainable finance in Europe"

Éric Brard,
Head of Fixed Income

In July 2019, Amundi and the EIB launched the Green Credit Continuum. What is this programme?

The agreement signed between Amundi and the European Investment Bank (EIB) has three components. First, it calls for the creation of a diversified fund invested across green corporate bond issues on the high yield segment, green private debt and green securitised debt instruments. In parallel, a scientific committee will be established, as well as a network of green transactions to encourage the growth of these three green fixed-income markets.

What is its purpose?

Its end-goal is to offer European companies better access to green debt markets so they can accelerate their energy transition. As a reminder, meeting the climate commitments of the Paris Agreement will require that Europe ramps up investment by some +€180 billion per year through 2030. Broadly speaking, the initiative is an innovation that contributes to sustainable finance in Europe.

And the last word on 2019?

The programme has met with remarkable success among Institutional investors. The first vintage of the Green Credit Continuum closed at the end of November with €253 million in assets under management. Our long-term objective is €1 billion.



"The EIB has long led the charge in promoting green finance, issuing the first-ever green bond in 2007. But despite progress on many fronts, financing gaps remain, particularly in Europe. We are proud to be partnering with Amundi as part of this programme, which will contribute to filling those gaps."

Ambroise Fayolle,
Vice-President, European Investment Bank



Amundi sets out on the Silk Road

The Amundi Funds New Silk Road* was launched in October 2019 with the goal of identifying investment opportunities in markets benefitting from the emergence of new commercial routes connecting Asia, Europe, the Middle East and Africa as part of China's Belt and Road Initiative (BRI). The fund invests both in companies whose business and revenues are directly involved, and those that stand to gain from secondary and tertiary effects, particularly in the tourism and education sectors.

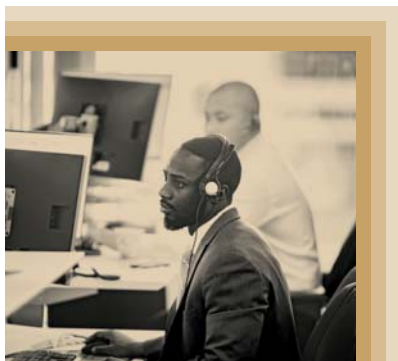
Amundi Japan scores a first mandate with the KBI Water Strategy* fund

Amundi Japan has been leading the charge countrywide on ESG. In March 2019, these efforts have secured a first mandate of €14 million AuM from an important Japanese pension fund. The strategy of the KBI Water Strategy fund invests in companies providing solutions to resource scarcity with a balance of water infrastructure, water technology and water/wastewater utilities.

Amundi wins Best Global Emerging Market Debts Fund in Taiwan 3 years in a row

Amundi Funds II – Emerging Markets Bond* was recognised for its track record and for promoting transparency and openness in Asian capital markets for a third consecutive year by the TFF Bloomberg Best Fund Award 2018 at a ceremony held in March in Taiwan. Emerging Markets Bond is a flagship product for Amundi Taiwan that was 40% sourced via Taiwan retain distribution. Its previous wins were in Best 5-year Global Emerging Market Debts Fund (2017) and Best 3-Year and 5-Year Global Emerging Market Debts Fund (2016).





US Equity and ESG teams selected by French pension reserve

Amundi Pioneer and its US Dividend* strategy have been retained on a \$300+ million equity mandate for the French *Fonds de Réserve pour les Retraites* (FRR). Portfolio managers, based in Boston, will be supported by the US Equity Research team to manage this mandate according to the highly specific guidelines and internal ESG policy of the FRR, a state-funded agency which oversees reserves for the French pensions system.

Amundi launches Amundi Funds Multi-Asset Sustainable Future*

Launched in September 2019, the Amundi Funds Multi-Asset Sustainable Future seeks to provide regular returns over a four-year investment period, while meeting a “conservative” risk profile. This product was designed to address two major concerns voiced by investors: increasing preoccupation with ESG and the need for cautious portfolios in the face of increasing market uncertainties. A key component of the selection process is the research conducted by Amundi’s team of in-house ESG analysts, who rate 8,000 issuers.

Alpha Fixed Income platform extends its product range

In October 2019, Amundi’s Quantitative Research team and Alpha Fixed Income platform launched a new strategy. Amundi Multi Factor Opportunity Credit* is a global and USD-denominated bond fund that leverages Value and Momentum. Housed on the Alpha Fixed Income platform, the range provides deliberate exposure to systematic risk factors that consistently outperform traditional benchmarks, expanding alternatives for investors.

Amundi Real Estate* Italia: strong inflows for Nexus 1

Nexus 1, an Italian real estate fund dedicated to Institutional investors, closed its ninth subscription with €165 million in new contributions, for total equity of €570 million through close-knit collaboration between Amundi Real Estate Italia and the Amundi Milan Institutional Sales team.

Hedging Low Carbon

In February 2019, Amundi rolled out a new expertise in Low Carbon* hedged equities on behalf of the Société Générale Group’s insurance arm, SOGECAP. This €200 million dedicated fund combines exposure to stocks from the MSCI EMU decarbonised by 50% with option-based hedging strategies (overlay).

ESG rising to prominence in passive and thematic investment

Valérie Baudson,

CEO of CPR AM and of the ETF,
Indexing and Smart Beta Business Line

Is the rise of ESG passive and thematic investing an inexorable force?

Demand for ESG solutions has certainly become mainstream. Awareness of the need to take action on environmental and social issues has permeated all investor categories, whether Institutional or Retail. Contrary to popular belief, passive management is eminently suited to addressing these new concerns, and to doing so in a particularly granular manner. For instance, bespoke solutions can range from basic exclusionary screening to optimising the ESG footprint of a portfolio. Or tracking one of the proliferating ESG indexes. On this segment alone, demand has been rising steeply. Half of the calls for tender we received in 2019 had an ESG component.

With regard to CPR AM's thematic offerings, those with the greatest inflows for 2019 were ESG funds addressing the United Nations' Sustainable Development Goals.

How did Amundi foresee this trend and how is the company positioned on the market today?

Responsible Investment is one of Amundi's founding pillars. And today, given its €300 billion in assets under management that take ESG criteria into account, and the many initiatives it has spearheaded on the green bond market, the Group indisputably holds a leadership position in ESG, embodying a European vision of Responsible Investment.

With regard to passive management, Amundi stands out from global competitors for an ability to offer

genuinely bespoke solutions that combine our expertise in index-based management with our expertise in optimising portfolios' ESG footprint.

Amundi is also remarkable for its strategy of systematic innovation. Ever a pioneer, the company launched some of the first Low Carbon* funds in 2014. It is also the first to have offered thematic funds, via its subsidiary, CPR AM, providing investors with the financial capabilities to address social and environmental issues. Following the roll-out of instruments focused on the energy transition, sustainable cities and access to education, CPR AM recently launched CPR Invest – Social Impact*, the first ever fund dedicated to reducing inequality.



H HIGHLIGHTS

Amundi launches Europe's least expensive gold ETC

In addition to its ETF range, Amundi launched an ETC (Exchange Traded Commodity) pegged to physical gold in May 2019. The Amundi Physical Gold ETC offers investors exposure to the price of gold at a competitive price, with the lowest TER⁽¹⁾ seen among similar European products. It is listed on Euronext Paris (in euros) and Amsterdam (in dollars). The Amundi Physical Gold ETC has been a great success since its launch, reaching nearly €1 billion in assets under management at the end of 2019.

(1) The TER (total expense ratio) is a measure that compares the total annual management and operating costs (including all taxes); this amounted to 0.15% in February 2020.

Smart beta* & Factor Investing

Smart Beta & Factor Investing continued their growth trajectory. Assets under management in this business line expanded from €13.4 billion at year-end 2018 to €20.5 billion at year-end 2019. Launched in April 2009, the flagship Europe Conservative* fund celebrated its 10th anniversary. The fund has topped the €1.5 billion mark in assets under management and continues to offer excellent risk-adjusted performance. Two sovereign wealth funds from Asia and the Middle East have subscribed for a total of €2.7 billion via their multi-factor mandates. Lastly, with help from the Engineering and Solutions team, the Smart Beta & Factor Investing team continued their efforts in 2019 to develop bespoke solution offerings, with a particular focus on the integration of ESG into factor-based portfolios.

Smart Allocation, a new digital solution for IFA partners of CPR AM*

CPR AM, which is in charge of promoting the Amundi Group's investment solutions and services to Independent Financial Advisors (IFAs) via the *Le Comptoir* brand, launched a new digital solution in September 2019: Smart Allocation. Developed in partnership with Harvest, Smart Allocation is designed to help IFAs build their clients' life insurance portfolios by making available five distinct allocations built by CPR AM, as well as market intelligence and management commentary.



“Our ambition is to double the assets under management by 2023”

Fannie Wurtz,

Head of the ETF, Indexing
and Smart Beta Business Line



You launched the Amundi Prime ETF* range in March 2019. How is it different from competing offers?

The aim of the Amundi Prime ETF range is to offer the main building blocks for constructing a diversified portfolio. And it does so at an extremely competitive price, thanks to our partnership with Solactive, an index provider recognised for its quality and competitiveness. With ongoing charges of 0.05%, Amundi Prime's Core ETF offer is currently the least expensive in Europe.⁽¹⁾

Where are you in the development of this range today?

It is increasingly successful. In mid-January 2020, assets under management passed the billion-euro mark. This momentum confirms the relevance of Amundi Prime's positioning in terms of price, simplicity and transparency. The offer, which currently comprises 10 products (5 equities, 5 bonds), will be further expanded in 2020.

What are your overall objectives for the ETF, Index and Smart Beta* business line?

Our ambition is to double our assets under management by 2023. To achieve this, we will focus on three growth drivers: increasing client coverage in Europe and Asia, enhancing our product offerings and investment solutions, particularly on the ESG/Climate segment, and expanding our foothold in the retail market.

“This has been a huge project for us, and we feel honored to act as Amundi's index provider of choice for this groundbreaking new range. The success of the Amundi Prime range also reaffirms our willingness to always continue pushing boundaries to provide agile and disruptive products and services while adapting quickly to fast-changing market conditions.”

Steffen Scheuble,
CEO of Solactive

3*3

3 awards, 3 Grand Prizes for 2019. Amundi was named “Smart beta Manager”⁽²⁾ and “European ETF Provider of the Year”⁽³⁾ while Valérie Baudson was crowned “Asset Management Leader.”⁽⁴⁾

(1) Source: Amundi - Comparison based on the ongoing charges of equivalent core ranges available in Europe. Bloomberg data as at 31/01/2020. Important: some funds may be individually more expensive than equivalent European funds or may not have equivalents that permit a comparison, and vice versa. (2) Financial News Awards. (3) Funds Europe Awards. (4) Agefi AM Leader.

€55 bn

In 2019, Amundi ETF's assets under management exceeded €55 billion. With net inflows amounting to €9 billion, double those of 2018, Amundi ETF once again placed 4th in the sector by net inflows. Amundi ETF continues to grow faster than the five leading European providers. Assets under management for the Amundi ETF, Index and Smart Beta* business line now total above €130 billion.

Growing success and constant innovation for CPR AM's thematic funds

CPR AM* is capitalising on the success of its thematic funds. CPR Invest - Climate Action* and CPR - Invest Education*, two such solutions launched in recent years, raised more than €500 million between them in 2019. By the end of the year, all the company's thematic funds had reached €10 billion in assets under management. In September 2019, CPR AM further enhanced its offering with the launch of CPR Invest - Future Cities*, a fund invested in international equities that contributes to the urban ecosystem. Following in November was CPR Invest - Smart Trends*, a diversified and flexible fund designed to exploit the full potential of thematic equities for a conservative profile. In December, CPR Invest - Medtech* was unveiled. Centred on the theme of medical technology, it has a single objective: to improve the quality of care while reducing costs, particularly through technological innovation.

At the end of 2019, the asset manager launched CPR Invest - Social Impact* worldwide. This is the first fund to make the reduction of inequality the focus of its investment process. It implements a cross-disciplinary methodology, the result of two years of research, to address the theme of inequality in its entirety via active management. In total, the fund's eligible investment universe consists of some 1,200 stocks, or nearly 36% of the MSCI World All Countries index. The final portfolio of CPR Invest - Social Impact selects around 70 of these stocks.



SUPPORT F AND TECHNOLO



FUNCTIONS BY SERVICES

Amundi is organised with a client-centric mindset and an industrial approach. Its management platforms, IT platform and risk management functions are fully integrated throughout the Group. This framework is what guarantees the commitment made to each and every client.

Can an operating platform combine industrial scale with flexibility and openness? Yes it can.

Guillaume Lesage,
Head of the Operations,
Services and Technology Division

Performance of operating platforms has become a strategic issue for asset management. Why?

The operating platforms, which comprise the full range of back-office and IT systems, are central to addressing the challenges asset managers face today. With interest rates likely to remain low, asset management companies are under pressure to reduce costs while meeting increasingly stringent regulations. And to stand out in the market, they also need to offer ever more value-added services to both Institutional and private banking clients. That means being creative and agile to spot new opportunities and to grow those business lines possessing a competitive advantage. Quality, reliability and the ability to evolve, as well, of course, as the cost of their IT systems, are crucial factors in this respect.

Is it possible to reconcile an industrial approach with flexibility and openness?

I strongly believe so. Since its founding, Amundi has invested in a proprietary tool, named ALTO,⁽¹⁾ which encompasses all the features of a high-performance system. It is an industrial-scale tool covering all the functions a portfolio manager fulfils, from asset management to back-office tasks including distribution. But the biggest difference with more technologically rigid platforms is how flexible it is, making it a tool whose innovation and development capabilities are unmatched in the market. This is an advantage not only for Amundi, but for clients of Amundi Services. ALTO was developed around open-source software which is much more flexible than legacy applications. Its agility also depends on that of our teams. This is what

enabled us to ensure full migration to ALTO of the entities from Pioneer Investments in just two years. It also makes it possible for us to integrate new asset classes, like ETFs or real assets. The open and agile qualities of our tool and teams also make for an especially strong capacity to innovate. For instance, Amundi has used the programming language, Python, to develop an artificial intelligence platform available to portfolio managers. We are also ahead of the curve in terms of data management and machine learning. And lastly, Amundi adds cost-effectiveness to these many advantages. Average estimated cost is around one basis point, more than half that of the market as a whole.

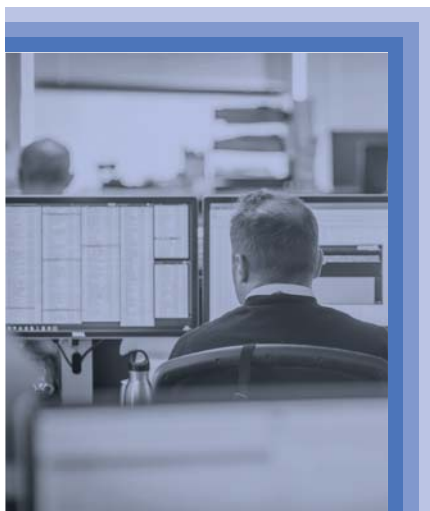


(1) Amundi Leading Technologies & Operations.

H HIGHLIGHTS

Amundi becomes full owner of fintech Anatec

Amundi has acquired the entire capital of fintech Anatec, the digital savings and advisory aggregation platform in which it already held a 49% stake. With this transaction, which is fully in line with the Group's digital strategy, Amundi is expanding its range of digital solutions offered to its distribution clients. The acquisition will also make it possible for Anatec to accelerate growth in France and internationally.



An important partnership between Fineco AM and Amundi

Joseph El Gharib,
Director of Amundi Services

How did the Fineco AM deal come about?

After the Central Bank of Ireland's authorisation in May 2018, Fineco launched its asset management activities in Ireland. For this purpose, they decided to outsource its technology and operations, selecting Amundi Services as a key partner for its portfolio management system and operational services. This deal has been facilitated thanks to the good relationship between Amundi and Fineco Bank in Italy and also thanks to the top-quality solutions proposed by Amundi Services.



What services are provided to Fineco AM?

We offer portfolio management technology via ALTO⁽¹⁾ for Fineco Asset Management as well as order execution and middle-office services, the latter being managed by the Amundi team in Ireland. With ALTO, Fineco AM is able to oversee assets delegated to more than 20 third-party managers as well as managing its own single strategy products, coupled with comprehensive compliance and risk management capabilities, and a bespoke governance for integrating and checking datasets.

What's distinctive about this agreement?

Fineco AM is using the full range of solutions provided by Amundi Services with the ALTO platform, dealing and middle-office services and a solution to consolidate assets delegated to external asset managers for a large panel of asset classes. Fineco AM is also the first client fully operated by Amundi Ireland. The Dublin teams played a critical role in the successful implementation and servicing of ALTO. Amundi Ireland is now uniquely positioned to operate Amundi Services solutions for international clients.

“Fineco AM has chosen Amundi Services because they can reliably provide the technologically advanced solutions we need to focus on our mission of creating, managing and delivering innovative, dynamic products that keep pace with the evolution of finance.”

Fabio Melisso,
CEO of Fineco Asset Management

(1) Amundi Leading Technologies & Operations.



Amundi Intermédiation sets up in Asia

Amundi Intermédiation, Amundi's specialist entity for the reception and transmission/execution of orders on behalf of third parties (RTO), is active in Paris, London, Dublin and now, Singapore. In order to better meet the needs of its internal and external clients, the trading platform has reorganised its operations, focusing on four entities, thereby fulfilling worldwide asset class coverage. Amundi Intermédiation Singapore, which has been operating since early 2019, is dedicated to Asian bonds and equities.

NowCP is revolutionising short-term financing in Europe

Amundi, BNP Paribas, Crédit Agricole CIB, Natixis and OFI AM (via the S2iEM Sicav*) joined forces with Orange in April 2019 as part of the latter's NowCP initiative. This digital marketplace for issuing and trading short-term debt securities seeks to revolutionise financing and cash management for issuers and investors alike. By speeding up and streamlining trading and extending trading hours, NowCP will create a European market for commercial paper that is deeper, more liquid and more secure.



Fund Hosting* gets a warm welcome

Under the auspices of the Amundi Services division, the Fund Hosting business of BFT IM – the main player in France to commercialise such an offering – was an indisputable success in 2019. The business line posted watershed inflows of close to €2 billion. At the end of 2019, its assets under management totalled €4.7 billion, up €2.3 billion year on year.



Fund Channel takes 4th place in Europe

Fund Channel, the B2B distribution platform for investment funds jointly owned by Amundi and BNP Paribas Asset Management, has consolidated its position as Europe's 4th largest operator.⁽¹⁾ With over €200 billion in intermediated assets, Fund Channel serves more than 570 fund managers and 112 distributors in 14 countries across Europe and Asia. Fund Channel has offices in Luxembourg, Switzerland, Singapore and Italy since May 2019.

(1) Source: independent research firm, PlatForum - June 2019



Amundi *Épargne Salariale et Retraite*: more than 4 million accounts

Amundi ESR Valence – formerly Amundi Tenue de Comptes – has passed the 4 million mark in administered accounts. Created nearly 20 years ago, it is now the French leader in its field, with €51 billion in assets under administration. This entity contributes significantly to the *Épargne Salariale et Retraite* business line, which is the undisputed French leader for employee savings and pensions.

Is managing liquidity the latest challenge for asset managers?

Bernard De Wit,
Head of the Support
and Control Division

Managing the liquidity of financial assets is becoming an increasingly sensitive issue. Why so?

The crisis caused by the coronavirus epidemic at the beginning of 2020 is a perfect illustration of why this topic is important. Certain asset managers were actually forced to close funds, as they were no longer capable of ensuring the liquidity of the assets under management. This risk has become structurally more significant for three main reasons. The first follows directly from changes in banking regulations effected since the 2008 financial crisis. Banks have drastically curtailed their market making⁽¹⁾ activities, which are crucial to liquidity. The second, paradoxically, is a consequence of excess liquidity induced by highly accommodative monetary policies. Many players in the market are “long on paper”, which they continue to hold thanks to accessible refinancing at little cost. As a result, they no longer contribute to the secondary market. The third and final reason relates to the very low interest rate environment. A number of investors have elected to take on more risk in search of yield, by investing in longer but also less liquid assets...

How are asset managers, and more specifically Amundi, responding to rising liquidity risk?

There is no uniform attitude towards this issue amongst asset managers, as several recent incidents attest. Some have placed too much emphasis on the pursuit of returns at the expense of portfolio liquidity management. At Amundi, we have long been managing the liquidity risk of our portfolios. We apply in-house standards to the asset structure of each fund and swing pricing*



mechanisms; this allows us to adjust the valuation methods applied to fund subscriptions and redemptions in the event of price discrepancies (widening gap between supply and demand). Since 2019, we have introduced gates* on certain funds, spreading redemptions over a few days when they are too large to be absorbed by the market under favourable conditions. This mechanism, only recently introduced in France, guarantees investors fair treatment should redemptions be concentrated over a short period.

(1) Market counterparty activity.

H HIGHLIGHTS

Capital increase reserved for employees deemed a success

Nearly half of employees in France took part in the Amundi capital increase reserved for their benefit. For the very first time, employees were able to take advantage of a 30% discount on shares as part of the new possibilities offered by the PACTE Law.⁽¹⁾ Completed in November 2019, this transaction boosted the proportion of the Group's capital held by its employees from 0.3% to 0.5%. Such reserved capital increases, which will be carried out on a recurring basis, reflect Amundi's desire for employees to have a stake in the company's development and value creation.

(1) PACTE: French law of 22 May, 2019: "Action Plan for Business Growth and Transformation".

A+

In May 2019, Fitch Ratings confirmed Amundi's "A+" Long-Term Issuer Default Rating (IDR) with a "stable" outlook, one of the best ratings granted in the asset management industry.

32%

Percentage of Amundi's more than 400 permanent hires worldwide in 2019 who are under 30 years old.

"Amundi Funds: a streamlined, competitive offering, diversified across all asset classes"

Christophe Lemarié,
Deputy Head of Retail
Marketing



In June 2019, Amundi completed the merger of its Luxembourg fund range. How did this come about?

This transaction effectively merged the three flagship vehicles operating under Luxembourg law that Amundi has managed since acquiring Pioneer Investments, these being: Amundi Funds*, Amundi Funds II* (formerly Pioneer Funds) and Amundi Sicav II (formerly Pioneer Funds' feeder Sicav*). In essence, it is the last step in the process of integrating Pioneer Investments, after the IT migration and legal mergers of the entities.

How was this transaction carried out, and to what end?

The main objective was to simplify Amundi's offering for Retail and Institutional clients. We selected the most relevant funds based on several criteria. These included: their performance, size, development potential and, above all, how well they fit our clients' needs.

What are the characteristics of the new Amundi Funds range?

Amundi Funds now has more than 90 sub-funds,⁽¹⁾ with total assets under management of nearly €86 billion at the end of December 2019. It brings together the best of Amundi's expertise. It is a streamlined, competitive offering, diversified across all asset classes.

"The consolidation of Amundi's Luxembourg fund range is one of the largest mergers ever carried out in Luxembourg. We are proud to have been able to contribute to the success of this project, which was completed in record time thanks to perfect coordination of the Amundi and CACEIS teams."

Philippe Bourgues, Managing Director, CACEIS Bank, Luxembourg Branch

(1) 84% of Amundi Funds' sub-funds are expected to hold Morningstar ratings of at least three stars.

GOVER

NANCE

Amundi's governance is built on a balance among its various stakeholders. The Board of Directors articulates a strategy that is overseen internationally by two governing bodies: the General Management Committee and the Executive Committee. An advisory committee, the Global Advisory Board, completes this system.

BOARD OF DIRECTORS

AS OF 31/12/2019



01. Xavier MUSCA**Chairman of the Board of Directors**

Deputy CEO of Crédit Agricole S.A.,
Member of the Executive Committee

02. Yves PERRIER**CEO and Director**

Deputy General Manager of Crédit
Agricole S.A. in charge of the Savings
Management and Property Division,
Member of the Executive Committee

03. Henri BUECHER**Director**

Chairperson of the Board of Directors
of the Alsace Vosges Regional Bank
of Crédit Agricole

04. Virginie CAYATTE**Independent Director**

Financial Director of Adisseo

05. Laurence DANON-ARNAUD**Independent Director**

Chairperson of Primerose SAS

06. William KADOUC-HASSAING**Director**

Chief Financial Officer
of Société Générale Group

07. Robert LEBLANC**Independent Director**

Chairman and CEO of Aon France

08. Michel MATHIEU**Director**

CEO of LCL, Deputy General Manager
of Crédit Agricole S.A. in charge
of Retail Banking subsidiaries,
Member of the Executive Committee

09. Hélène MOLINARI**Independent Director**

Manager of AHM Conseil

10. Christian ROUCHON**Director**

CEO of the Sud Rhône-Alpes
Regional Bank of Crédit Agricole

11. Andrée SAMAT**Director**

Chairperson of the Board
of Directors of the Provence-
Côte d'Azur Regional Bank
of Crédit Agricole

12. Renée TALAMONA**Director**

CEO of the Lorraine Regional Bank
of Crédit Agricole

13. Éric TAZÉ-BERNARD**Director elected by the employees**

Chief Allocation Advisor for
Institutional Investors of Amundi
Asset Management

14. Jean-Michel FOREST**Non-voting member**

Chairman of the Board of Directors
of the Loire Haute-Loire Regional Bank
of Crédit Agricole

15. Gianni FRANCO PAPA**Non-voting member**

Former Deputy CEO of UniCredit

C COMMITTEES

General Management Committee

AS OF 31/12/2019



01. Yves PERRIER
Chief Executive Officer

02. Bernard DE WIT
Head of the Support
and Control Division

03. Fathi JERFEL
Head of the Retail Clients Division

04. Pascal BLANQUÉ
Chief Investment Officer

05. Dominique CARREL-BILLIARD
Head of the Institutional
and Corporate Clients Division

06. Valérie BAUDSON
CEO of CPR AM and of the ETF,
Indexing and Smart Beta Business Line

07. Guillaume LESAGE
Head of the Operations, Services
and Technology Division

08. Vincent MORTIER
Deputy Chief Investment Officer

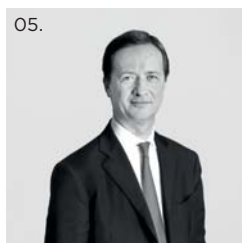
09. Nicolas CALCOEN
Head of Finance, Strategy
and Public Affairs

10. Jean-Jacques BARBÉRIS
Head of Institutional and Corporate
Clients Coverage

11. Isabelle SENÉTERRE
Head of Human Resources

12. Cinzia TAGLIABUE
Deputy Head of the Retail Clients
Division, CEO Italy

13. Matteo GERMANO
Head of Multi-Asset and CIO Italy





Executive Committee

The Executive Committee is composed of General Management Committee members and of:

14. Éric BRARD

Head of Fixed Income

15. Pedro Antonio ARIAS

Head of the Alternative and Real Assets Business Line

16. Fannie WURTZ

Head of the ETF, Indexing and Smart Beta Business Line

17. Lisa JONES

Head of the Americas

18. Éric VANDAMME

Chief Risk Officer

19. Christian PELLIS

Head of Third-Party Distribution

20. Pascal DUVAL

Head of Retail Solutions

21. Laurent BERTIAU

Head of Japan

22. Werner KRETSCHMER

Head of Austria and Eastern Europe

23. Domenico AIELLO

Chief Financial Officer

24. Julien FONTAINE

Head of Partnerships

25. David HARTE

Head of Ireland and Deputy Head of the Operations, Services and Technology Division

26. Stanislas POTTIER

Chief Responsible Investment Officer

27. Alain BERRY

Head of Communication

GLOBAL ADVISORY BOARD

AS OF 31/12/2019

Since 2016, Amundi's Global Advisory Board has brought together world-famous figures from the political and economic arenas. This advisory committee regularly shares its opinions on global developments at the economic and geopolitical level, bringing an original standpoint providing first-hand insight and guidance to Amundi in its decision-making.



01. **Hubert VÉDRINE**
Chairman of the Board

Former Foreign Affairs Minister
in France

02. **Sir Simon FRASER**
Former Permanent Secretary at the UK
Foreign and Commonwealth Office

03. **Hye-Min LEE**
Former Ambassador to France
for the Republic of Korea

04. **Enrico LETTA**
Former Prime Minister
of Italy

05. **Maurice LÉVY**
Chairman of the Supervisory
Board of Publicis Group

06. **Christian NOYER**
Honorary Governor
of the *Banque de France*

07. **Dr. Jürgen STARK**
Former member of the Executive
Board and the Governing Council
of the European Central Bank

08. **Yuan WANG**
Chief Economist
of the China Development Bank

09. **Tatsuo YAMASAKI**
Former Finance Vice Minister
of Japan

G

GLOSSARY

Amundi's Funds

Amundi Finance et Solidarité, **page 19** / Amundi Planet Emerging Green One, **page 23** / Buy & Watch Solutions, **pages 26, 30, 38** / Amundi Fund Cash USD, **page 27** / US Fixed Income Fund, **page 29** / Amundi Fund Solutions Buy & Watch Income 06/2025, **page 30** / Amundi Funds Euroland Equity, **page 38** / Amundi Funds US Pioneer, **page 38** / Amundi Funds SBI India Equity, **page 38** / Municipal bonds, **page 38** / Multi-sector strategy, **page 38** / Global corporate high yield strategy, **page 38** / Amundi Funds Emerging Markets Bond, **page 38** / Amundi Funds Multi-Asset Sustainable Future, **pages 38, 43** / Amundi Prime ETF, **pages 39, 46** / SRI offering, **page 39** / Low Carbon offering, **page 39** / Dynamic Factor Investing Strategy, **page 39** / Conservative Strategy, **page 39** / KBI Water Strategy, **page 42** / Amundi Funds II - Emerging Markets Bond, **page 42** / US Dividend, **page 43** / Amundi Multi Factor Opportunity Credit, **page 43** / Low Carbon Funds, **pages 43, 44** / CPR Invest - Social Impact, **pages 44, 47** / Amundi Europe Conservative, **page 45** / CPR Invest - Climate Action, **page 47** / CPR Invest - Education, **page 47** / CPR Invest - Future Cities, **page 47** / CPR Invest - Smart Trends, **page 47** / CPR Invest - Medtech, **page 47**

These funds do not guarantee performance and pose a risk of capital loss.

Amundi Real Estate (*Amundi Immobilier*)

Pages 35, 39, 43

A public limited company (*Société Anonyme*) with share capital of €16,684,660. Portfolio Management Company operating under AMF approval no. GP 07000033. Paris Trade and Companies Register no. 315 429 837.

CPR AM

Pages 44, 45, 47, 60

A limited company (*Société Anonyme*) with share capital of €53,445,705. Portfolio Management Company operating under AMF approval no. GP 01.056. Paris Trade and Companies Register no. 399 392 141.

Fund Hosting

Page 53

Amundi Services provides hosting solutions ranging from the creation of investment vehicles (including UCITS and Alternative Investment Funds) to support for the marketing of expertise, by making its infrastructure available to its clients.

Gates

Page 54

Redemption thresholds. The level from which the manager of a UCITS can stagger security redemptions instead of redeeming them immediately.

MiFID II

Page 29

Markets in Financial Instruments Directive II: European directive that became effective in January 2018 and aims to strengthen investor protection vis-à-vis financial institutions, as well as market and transaction transparency.

Multi-Asset

Pages 13, 38, 39, 41, 43

Multi-asset investment provides exposure to a globally diversified group of asset classes and investment styles.

OPCI

Page 35

An *Organisme de Placement Collectif Immobilier* or French real estate investment fund.

Sicav

Pages 26, 52, 55

A *Société d'Investissement à Capital Variable* or French open-ended investment company.

Smart beta

Pages 14, 39, 44, 45, 46, 47, 60, 61

Smart Beta & Factor Investing strategies – passive and active – have the objective to outperform and/or optimise risk versus traditional market capitalisation weighted indices.

Swing pricing

Page 54

A mechanism designed to protect the interests of fund holders by offsetting the dilutive effect for existing holders by passing on part of the charges to the holders who initiated the incoming and/or outgoing orders.

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The information contained in this document is deemed accurate as of 31 December, 2019 (source: Amundi).

The prospectuses and key investor information documents of the products referred to in this material are available free of charge and on request to Amundi – servicepresse@amundi.com.

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