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# AMUNDI FINANCE

## Annual report 2021

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# 01

## Reports of the Board of Directors on the financial year ended 31 December 2021:

- Management report on the financial statements
- Corporate governance report

# **Management report to the board of directors OF AMUNDI FINANCE** **On the company financial statements for the year ended 31 December 2021**

## **ACTIVITY DURING THE FINANCIAL YEAR**

Amundi Finance's main activities are as follows:

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

### **1. Provision of guarantees to funds and to notes**

En euros	Engagements 31/12/2020	Engagements 31/12/2021	Variation en montant	Variation en %
Fonds à Formule	7 039 383 992	5 277 932 637	-1 761 451 355	-25.0%
Fonds en assurance de portefeuille	3 913 208 179	2 813 166 555	-1 100 041 624	-28.1%
Autre fonds garantis (OPC monétaire)	258 010 967	1 417 076 209	1 159 065 242	449.2%
<u>Total Fonds garantis</u>	<u>11 210 603 138</u>	<u>9 508 175 401</u>	<u>-1 702 427 737</u>	<u>-15.2%</u>
Notes Amundi Finance Emissions	4 679 820 624	4 581 685 409	-98 135 215	-2.1%
Notes LCL Emissions	7 272 236 725	8 570 125 467*	1 297 888 742	17.8%
<u>Total Notes</u>	<u>11 952 057 349</u>	<u>13 151 810 876</u>	<u>1 199 753 527</u>	<u>10.0%</u>
<b>Total engagements</b>	<b>23 162 660 487</b>	<b>22 659 986 277</b>	<b>-502 674 210</b>	<b>-2.2%</b>

\* including 1,620 million Notes being marketed as at 31 December 2021.

### **Commitment exposure**

Guarantee commitments given to funds decreased significantly over the period, down €1,702 million net from end-December 2020. This decrease is mainly attributable to the decline in the assets of formula-based funds following redemptions at maturity or in advance (autocallable), not fully offset by the creation of new guaranteed funds.

- Formula-based funds (structured funds): commitments in respect of formula-based funds are down globally, with a net change of -€1,761 million, of which -€1,856 million was for formula-based funds not eligible for the French equity savings plan (PEA) and +€95 million for formula-based funds that are eligible for the PEA in 2021.
- Portfolio insurance funds: portfolio insurance fund commitments were also down at -€1,100 million on 31 December 2021.
- Other guaranteed funds: commitments up sharply at +€1,159 K at 31 December 2021 include a portion of funds that have matured and are awaiting recycling in new guaranteed products.

Amundi Finance guarantees the notes issued by Amundi Finance Emissions and LCL Emissions, subsidiaries of Amundi Finance, or counter-guarantees them to Crédit Agricole S.A. and LCL, which are their respective guarantors.

Excluding Notes currently being marketed (€1,620 million for LCLE), the net decline for Amundi Finance's guarantee commitments for issuance vehicles of Amundi Finance Emissions and LCL Emissions was €420 million at 31 December 2021.

### **Impact on the guarantor's activity in 2021**

Calls on the guarantor totalled €5,345 K in 2021, which primarily included €2,796 K for formula-based funds recycling money market funds and matured issues with capital guarantee funds over 6 months, and €2,218 K for Objectif Retraite matured funds.

Provisions for guarantee calls recorded at 31 December 2021 for a total amount of €9,028 K were down -€3,508 K and are mainly comprised of:

- €3,389 K on recycling funds as the low interest rates do not allow the funds' assets to cover the guarantee,
- €5,116 K on Testaments Obsèques funds,

- €263 K on other CPPIs.

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

At 31 December 2021, Amundi Finance booked no provisions for notes issued by its subsidiaries.

Summary of provisions for guarantee calls (in eur)	Provision 31/12/2020	Provision 31/12/2021	Change
Objectif Retraites funds	7,551,811	0	-7,551,811
Guaranteed CPPI (other Obj Retraites funds)	404,422	263,018	-141,404
Recycling funds (*)	422,805	3,388,563	2,965,758
ECL provisions on guaranteed funds	394,024	259,768	-134,256
Testaments Obsèques funds	3,762,122	5,116,306	1,354,184
<b>TOTAL provisions</b>	<b>12,535,184</b>	<b>9,027,655</b>	<b>-3,507,529</b>

## 2. Issuance of notes

In 2021, the subsidiaries dedicated to the “Amundi Finance Emissions” and “LCL Emissions” EMTN activity continued their issuance programme with the Crédit Agricole network for the first and the LCL network for the second for a notional amount (excluding issues being marketed) of €530M and €1,888M respectively.

Outstanding amounts at end-2021 were €3,823M for Amundi Finance Emissions, €4,892M for LCL Emissions and €32M for Amundi Finance direct issues (of which €20M were initially issued by Amundi Issuance).

## 3. Financial Futures and Collateralisation

Amundi Finance’s activity in Financial Futures (interest rate and other swaps, options and cross-currency swaps) represented a notional amount of €61,556M (in euros or equivalent value in euros) at 31 December 2021 (including external counterparties, funds, subsidiaries and companies of the Amundi group) vs. €71,075M at 31 December 2020.

## INCOME STATEMENT AT 31 DECEMBER 2021

**Net Banking Income** totalled €150,334 K versus €133,642 K at 31 December 2020.

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

	31/12/2021	31/12/2020
<i>(in thousands of euros)</i>		
<b>MANAGEMENT NBI</b>	<b>56,071</b>	<b>63,987</b>
Fees and commissions (income)	<b>88,570</b>	<b>99,858</b>
<i>of which fixed fees on off-balance sheet commitments</i>	31,069	32,560
<i>of which variable fees on off-balance sheet commitments</i>	24,235	25,667
<i>of which provisions for guarantee calls</i>	3,120	14,040
<i>of which fees on notes</i>	30,146	27,590
Fees and commissions (expenses)	<b>- 32,499</b>	<b>- 35,872</b>
<i>of which fees on off-balance sheet commitments</i>	- 138	- 142
<i>of which market-making fees</i>	- 767	- 864
<i>of which management fees</i>	- 43	- 8
<i>of which expenses for guarantee calls</i>	- 3,127	- 4,180
<i>of which fees on notes</i>	- 21,127	- 19,742
<i>of which provisions for guarantee calls</i>	- 7,299	- 10,937
<b>FINANCIAL NBI</b>	<b>95,010</b>	<b>70,594</b>
Interest and similar income	17,195	14,327
Interest and similar expenses	- 17,500	- 16,502
Gains (losses) on trading book	42,549	30,742
Gains (losses) on investment portfolio and similar	- 475	302
Income from variable-income securities	53,241	41,725
<b>OTHER NBI</b>	<b>- 747</b>	<b>- 938</b>
Other banking income		
Other banking operating expenses	- 747	- 938
<b>NET BANKING INCOME</b>	<b>150,334</b>	<b>133,642</b>

**Management NBI** amounted to €56,071 K in 2021 versus €63,987 K in 2020. This decline in income is mainly due to the increase in provisions and calls for guarantees on CPPI and recycling funds and, to a lesser extent, to the decrease in the remuneration of guaranteed funds due to the decrease in assets under management. It is explained by:

- A decrease in variable guarantee income from €25,667 K in 2020 to €24,235 K in 2021 following greater maturities of non-PEA funds in 2020 compared to 2021,
- Reversals of provisions for guarantee calls on recycling funds and CPPIs for €3,120 K in 2021 compared with €14,040 K in 2020,

- A decrease in fixed guarantee income for €31,069 K at 31 December 2021 (versus €32,560 K at 31 December 2020).
- An increase in investment fee income for €30,146 K in 2021 (versus €27,590 K at 31 December 2020);
- An decrease in fees booked in expenses amounting to -€32,499 K in 2021 compared with -€35,872 K in 2020 consisting primarily of:
  - An increase in retrocession of investment fees from the Note Issuance activity for -€19,780 K versus -€18,854 K in 2020,
  - Guarantee call expenses of -€10,425 K, including -€7,298 K in allocations to provisions and -€3,127 K in guarantee calls on recycling funds and CPPIs.
  - Market-making fees on CA Oblig Immo of -€767 K in 2020 versus -€864 K in 2020,
  - Guarantee fee expenses of -€138 K versus -€142 K in 2020,
  - Management fees of -€43 K related to EMTN issues by Amundi Finance managed by Amundi AM.

**Financial NBI** amounted to €95,010 K in 2021 versus €70,594 K in 2020 and consisted of the following:

- Income from securities of €53,241 K versus €41,725 K at 31 December 2020, including:
  - Dividends received from its subsidiary Amundi Intermédiation of €42,708 K compared with €33,068 K received in 2020,
  - Dividends received from its subsidiary Amundi Epargne Salariale Retraite of €10,536 K versus €8,976 K in 2020.
- Net interest expenses of -€305 K (compared with -€2,175 K at 31 December 2020), including:
  - Interest expenses of -€1,198 K for perpetual subordinated debt,
  - Net income from guarantee deposits for collateral and treasury operations of +€2,423 K in 2021 compared with +€439 K in 2020,
  - Net expenses on financing of the Securities Collateral activity of -€1,017 K in 2021 versus -€931 K in 2020.

- Net income from the swap, note, and collateral issuance and trading portfolio activities of +€42,549 K (versus +€30,742 K at 31 December 2020), including:
  - +€37,474 K (versus €29,611 K at 31 December 2020) corresponding to Commercialisation Risk Compensation (CRC) for these FFI activities for marketing and launch of new formula-based and EMTN funds,
  - +€1,849 K relating to the correction in the value in respect of the counterparty risk on derivatives (CVA – Credit Value Adjustment),
  - +€3,226 K from financial forward instruments and the carrying of securities on all structures (versus +€129 K at 31 December 2020), mainly consisting of:
    - -€349 K on formula-based funds,
    - +€1,145 K on UCO structures,
    - -€3 K on dnA,
    - +€2,214 K on CA OBLIG IMMO,
    - -€140 K on CA INDICIA and ARMANTIS,
    - -€221 K on LCL structures,
    - +€61 K on BAWAG structures,
    - -€10 K on Crelan structures,
    - +€35 K on Italian ELTIFs,
    - +€21 K on structures in Poland,
    - +€474 K on the company's EMTN issues.
- Gains on the investment portfolio activity of +€475 K compared with +€302 K at 31 December 2020, including:
  - -€391 K in impairment of short-term investment securities
  - -€106 K in new allocations over the year, including €87 K on dnA securities and €16 K on LRP.

**Other NBI** totalled -€747 K and mainly included Amundi the expense for Amundi Finance's contribution to the cost of the obligations of Crédit Agricole SA in its capacity as reference shareholder, compared with -€938 K in 2020.

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

(in thousands of euros)	31/12/2021	31/12/2020
<b>Personnel expenses</b>		
Wages and salaries	-853	-741
Social security contributions	-337	-302
Incentive and profit-sharing plans	-112	-64
Payroll-related tax	-108	-95
<b>Total personnel expenses</b>	<b>-1,410</b>	<b>-1,202</b>
Rebiling and transfers of personnel expenses		
<b>Net personnel expenses</b>	<b>-1,410</b>	<b>-1,202</b>
<b>Administrative expenses</b>		
Taxes other than on income or payroll-related (1)	-3,280	-3,394
External services and other administrative expenses	-4,130	-5,411
<b>Total administrative expenses</b>	<b>-7,410</b>	<b>-8,806</b>
Rebiling and transfers of administrative expenses		
<b>Net administrative expenses</b>	<b>-7,410</b>	<b>-8,806</b>
<b>GENERAL OPERATING EXPENSES</b>	<b>-8,819</b>	<b>-10,008</b>

(1) including €2,065 K for the resolution fund.

- Personnel expenses, up slightly, of €1,410 K in 2021 versus €1,202 K in 2020, mainly with:
  - Wages and benefits for permanent staff of €1,129 K versus €1,019 K at 31 December 2020,
  - Taxes on remuneration of €119 K, including €103 K in payroll taxes,
  - An allocation to the provision for retirement benefits of €61 K.
- Administrative expenses were down at €7,410 K at 31 December 2021, compared with €8,806 K at 31 December 2020. They primarily consist of the following:
  - External services of €4,130 K versus €5,411 K at 31 December 2020, including:
    - Re invoicing by the staff resources grouping provided to Amundi Finance in the amount of €1,690 K as well as external services of €1,654 K,
    - IT and database costs of €463 K, mainly relating to the Murex activity,
    - Agoram rent and expenses of €130 K,
    - Lawyers' fees of €206 K for the updating of the issuing programs,
    - Statutory auditors' fees of €181 K.
  - Taxes of €3,280 K, with in particular:
    - The CET (territorial economic contribution) / CVAE (company value-added contribution) of €787 K versus €1,315 K in 2020,

- The contribution to the Single Resolution Fund (FRU) of €2,065 K versus €1,651 K in 2020,
- The contribution to the Single Resolution Committee for €11 K versus €13 K in 2020,
- The ACPR tax of €68 K versus €79 K in 2020,
- The BCE tax of €89 K versus €74 K in 2020,
- The contribution to the Territorial Authorities Support Fund of €66 K compared with €77 K in 2020,
- The Social Solidarity Contribution of €192 K versus €185 K in 2020.

**Gross Operating Income** was a profit of €141,515 K in 2021 versus €123,634 K for financial year 2020.

The **Cost of Risk** was booked as income of €5,468 K in 2021 vs. a charge of -€351 K in 2020, principally comprised of:

- + €5,334 K in changes in provisions and calls for guarantees concerning the AMUNDI Objectif Retraite 2025 and 2030 funds.

**Operating income** and **Current profit before tax** amounted to €146,983 K in 2021 compared with €123,283 K for financial year 2020.

Corporation tax totalled €25,040 K.

The tax rate is 17.04%.

**Net income** at 31 December 2021 stood at €121,943 K compared with €98,973 K at 31 December 2020.

## BALANCE SHEET AT 31 DECEMBER 2021

The balance sheet total was €4,781,831 K at 31 December 2021 versus €4,059,101 K at 31 December 2020. The main changes were as follows:

### **Assets (excluding forward financial instruments):**

- Treasury bills and similar securities totalled €527,396 K concerning securities transactions relating to the EMIR versus €456,267 K at 31 December 2020,
- Loans and receivables due from credit institutions, decreasing from €433,640 K at 31 December 2020 to €490,732 K at 31 December 2021, consisting of:
  - €10,849 K on ordinary accounts receivable,
  - €1,000 K in term loans,
  - €478,481 K in short-term overnight lending related to the "collateral" activity, compared with €411,121 K at 31 December 2020.
- Shares in affiliated companies were stable at €46,249 K in 2021 compared with €48,309 K in 2020 and are detailed in the table below:

SUBSIDIARIES AND EQUITY INVESTMENTS	Currency	% Control at 31/12/2020	Provision 2020	Net book value at 31/12/2020	Increase	Decrease	Gross book value at 31/12/2021	Provision 2021	Net book value at 31/12/2021
AMUNDI ESR	EUR	99.99		34,166,829			34,166,829		34,166,829
AMUNDI INTERMEDIATION	EUR	38.53		5,628,480			5,628,480		5,628,480
AIT S	EUR	NS	3,357	6,803			10,160	3,309	6,851
DNA SA	EUR	100	163,000	2,068,000			2,231,000	250,000	1,981,000
LRP	EUR	100		31,000			31,000	16,000	15,000
AMUNDI FINANCE EMISSIONS	EUR	99.99		2,225,684			2,225,684		2,225,684
LCL EMISSIONS	EUR	99.99		2,225,186			2,225,186		2,225,186
AMUNDI ISSUANCE	EUR	99.99	43,000	1,956,993		-1,956,993			0
<b>TOTAL</b>			<b>209,357</b>	<b>48,308,975</b>	<b>0</b>	<b>-1,956,993</b>	<b>46,518,339</b>	<b>269,309</b>	<b>46,249,030</b>

- The bonds and other fixed-income securities portfolio totalled €1,675,992 K versus €910,273 K at 31 December 2020. The positions mainly correspond to the carrying of bonds issued by the subsidiaries Amundi Finance Emissions and LCL Emissions as well as Crédit Agricole SA and Amundi, during the marketing phase or before repurchase for destruction by these issuing companies.
- Equities and other variable-income securities totalled €299,955 K, versus €300,346 K at 31 December 2020.
- The item Intangible assets for €227,424 K corresponds to business assets.
- The item Other assets (excluding financial futures) amounted to €269,383 K vs. €329,142 K at 31 December 2020. This includes primarily:
  - Security deposits paid as part of the collateral activity in the amount of €218,690 K compared with €250,340 K at 31 December 2020,

- Interim payments of corporation tax in the amount of €25,356 K versus €41,570 K at 31 December 2020,
- Trade receivables of €2,375 K vs. €313 K at 31 December 2020.
- Accrual accounts (excluding forward financial instruments) came in at €39,229 K versus €47,761 K at 31 December 2020. They are mainly made up of accrued income on off-balance sheet commitments (guaranteed funds and EMTNs) in line with the collection of revenues: variable guarantee commissions on PEA funds are collected annually, fixed guarantee commissions for the most part on maturity of the funds, and the same applies to commissions on the variable guarantee on non-PEA funds.  
Investment fees, repurchase compensation and guarantee commissions on EMTN issuances are collected on a quarterly basis.

**Liabilities (excluding financial futures):**

- Liabilities due to credit institutions totalled €1,985,196 K, including:
  - €1,472,600 K in short-term overnight loans with the group's treasury office versus €757,700 K at end-2020.
  - €511,000 K in term loans for the financing of activities subject to the EMIR compared with €436,000 K in 2020.
- Debt securities in the amount of €32,023 K corresponding to Amundi Finance's EMTN issuance programmes (including renewal of AMUNDI ISSUANCE issues).
- Other liabilities (excluding forward financial instruments) in the amount of €688,113 K in 2021 (€679,146 K in 2020) mainly consisted of deposits received in relation to the collateral activity (€661,461 K) and the provision for corporation tax (€25,044 K).
- Accrual accounts (excluding financial futures) at €14,827 K vs. €12,967 K in 2020 is broken down as follows:
  - €2,589 K in deferred income representing the extension of Commercialisation Risk Compensation (CRC) on marketed structures such as formula funds, EMTNs by Amundi Finance Emissions and EMTNs by LCL Emissions.
  - €12,238 K in accrued expenses, including:
    - €9,368 K in retrocessions on investment fees,
    - €1,522 K in operating expenses,
    - €767 K in market-making fees on structures such as CA Oblig Immo.

**Financial futures:** The activity shows a liability of €36,669 K at 31 December 2021 compared with €55,179 K at 31 December 2020 and mainly consists of:

- €4,350 K on the downturn in the value of financial instruments with respect to the counterparty risk on derivatives (CVA) vs. €6,199 K in 2020,
  - €176,960 K in positions on options versus €144,095 K in 2020,
  - -€161,613 K relating to the valuation of FFIs (swaps and options),
  - €16,971 K in respect of hedging positions versus €20,740 K in 2020.
- Provisions for liabilities and charges of €9,115 K vs. €12,622 K in 2020, including:
    - €5,116 K in positions on “Testaments Obsèques” guaranteed funds versus €3,762 K in 2020,
    - €3,389 K in positions concerning recycling funds versus €423 K in 2020,
    - €263 K in provisions for liabilities on the fund guarantee and issuance vehicles activity compared with €7,956 K in 2020.
  - Subordinated debts were stable at €100,008 K and corresponded to the perpetual subordinated debt that will increase the level of the company’s own funds as well as the related debts.

Unpaid invoices received or issued on the closing date of the financial year, the term of which has expired (Table provided in Article D.441-14)

		Article D.441 I.-1°: Invoices <u>received</u> not paid at the balance sheet date which are past due					Article D.441 I.-2°: Invoices <u>issued</u> not paid at the balance sheet date which are past due							
(in thousands of euros)		0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	
(A) Overdue payment tranches														
Number of invoices concerned							9						119	
Total amount of invoices concerned excluding or including taxes		52	3	1		0	55	101		1,133	59	1,081	2,375	
Total amount of purchases for the financial year		0.22%	0.01%	0.00%		0.00%	0.23%							
Percentage of turnover for the financial year							0.07%		0.81%	0.04%	0.77%	1.69%		
(B) Invoices excluded from A relating to disputed or unrecognised debts and receivables														
Number of invoices excluded							0							0
Amount of the excluded invoices														
(C) Reference payment deadlines used														
Payment deadlines used to calculate overdue payments		> 30 days					>30 days							

This information does not include banking transactions and related transactions that do not fall within the scope of required information.

The change in shareholders' equity is as follows:

(in thousands of euros)	Capital	Premiums, reserves and retained earnings	Interim dividends	Regulated provisions and investment subsidies	Net income	Total shareholders' equity
<b>Balance at 31 December 2020</b>	<b>40,320</b>	<b>548,082</b>			<b>98,973</b>	<b>687,375</b>
Dividends paid for 2020		-98,970				-98,970
Change in share capital						
Change in share premiums and reserves						
Appropriation of company income		98,973			-98,973	
Retained earnings						
Profit for financial year 2021					121,943	121,943
Other changes		61				61
<b>Balance at 31 December 2021</b>	<b>40,320</b>	<b>548,146</b>			<b>121,943</b>	<b>710,409</b>

## OFF-BALANCE SHEET ITEMS AT 31 DECEMBER 2021

At 31 December 2021, financial futures (FFIs) were booked for a notional amount of €61,556 M vs. €71,075 M at 31 December 2020.

### FFI overview

Notional in millions of euro	31/12/2021	31/12/2020
FUND FFIs	29,271	36,547
EMTN DNA FFIs	0	12
EMTN CASA FFIs	2,031	2,259
EMTN LCLE FFIs	19,377	21,601
EMTN AFE FFIs	9,652	9,548
EMTN AMUNDI SA FFIs	682	660
EMTN AMUNDI FINANCE FFIs	32	12
COLLATERAL SECURITIES FFIs	511	436
TOTAL	61,556	71,075

Guarantee commitments given totalled €22,660 M compared with €23,163 M at 31 December 2020, corresponding to changes in commitments given relating to guaranteed funds and EMTNs,

Assets given as collateral totalled €512 M at 31 December 2021 versus €381 M at 31 December 2020 and corresponded to the Securities Collateral given to the market counterparties within the framework of the EMIR.

Assets received as collateral totalled €1,447 M at 31 December 2021 versus €1,465 K at 31 December 2020 and corresponded to the Securities Collateral received from funds and market counterparties within the framework of the EMIR.

## DIVIDEND DISTRIBUTION

Distributable income totalled €448,161,298.39, including the profit for financial year 2021 for €121,942,802.77 and retained earnings for €326,218,495.62.

For the 2021 financial year, a distribution of €121,926,616.90, representing a unit dividend of €46.10, is proposed.

Retained earnings will therefore total €326,234,681.49 after appropriation of income.

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

Financial year	Dividend in €	Distributed revenues eligible for the 40% tax credit (*) in €	Distributed revenues not-eligible for the 40% tax credit (*) in €
2020	37.42	37.42	-
2019	52.73	52.73	-
2018	31.06	31.06	-

(\*) Article 158-3-2 of the French tax code (CGI)

## DEVELOPMENT PROSPECTS FOR 2022

Given that the COVID-19 pandemic is still active, uncertainties about the economic and social impacts remain, although successive vaccination campaigns make it possible to be optimistic that we will emerge from it in the future.

In addition, at the end of February 2022, tensions between Russia and Ukraine led to an armed conflict. This crisis led to a drop in the equity markets and an increase in volatility. The Amundi Group quickly adapted its operational structure, notably with a prudent investment policy.

The extent and duration of this crisis are difficult to predict.

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

Against this backdrop, in France, activity in 2022 is expected to rise slightly from 2021, leading to an increase in guaranteed assets. The launch of Individual Protected Individual Savings mandates in 2022 will contribute to the increase in guaranteed assets.

On the international front, several portfolio insurance fund projects in Spain, Italy and Asia should lead to an increase in Amundi Finance's activity.

## **CHANGES IN THE METHODS OF PRESENTATION OF THE FINANCIAL STATEMENTS**

No significant change was made to the method of presentation of the financial statements.

## **CONTROL OF THE COMPANY**

As at 31 December 2021, the company is controlled as follows:

- Amundi Asset Management holds 76.13% of the shares,
- Amundi holds 23.87% of the shares.

## FIGURES FOR THE LAST FIVE FINANCIAL YEARS

Type of information	31/12/2017	31/12/2018	31/12/2019	31/12/2020	31/12/2021
Ending capital (in euros)	40,320,157	40,320,157	40,320,157	40,320,157	40,320,157
Number of shares issued	2,644,829	2,644,829	2,644,829	2,644,829	2,644,829
<b>Operations and earnings for the year</b> (in thousands of euros)					
Net Banking Income	127,010	150,651	184,358	133,642	150,334
Earnings before taxes, depreciation, amortisation, and provisions	117,606	140,729	174,407	123,634	141,515
Income tax	-37,097	-36,254	-47,129	-24,310	-25,040
Earnings after taxes, depreciation, amortisation, and provisions	81,536	86,488	139,480	98,973	121,943
Distributed profits	0	82,148	139,462	98,970	121,927
<b>Operating earnings per share</b> (in euros)					
Earnings after taxes but before amortisation, depreciation, and provisions	30.83	32.70	52.74	37.42	46.11
Earnings after taxes, depreciation, amortisation, and provisions	30.83	32.70	52.74	37.42	46.11
Dividend per share	0.00	31.06	52.73	37.42	46.10
<b>Employees</b>					
Average number of employees	10	9	9	8	9
Payroll (in thousands of euros)	749	821	699	717	792
Welfare benefits paid (social security, charity work, etc.) (in thousands of euros)	353	342	290	302	337

## RISK FACTORS RELATED TO AMUNDI FINANCE

### Credit and counterparty risks

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

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

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

Amundi Issuance also uses net income from issuing securities to fund its ordinary operations and hedge its obligations with respect to the securities issued. Accordingly, it uses all or part of the income from issuing securities to acquire assets including but not limited to one or more transferable securities or one or more custody agreements or one or more swaps ("Hedging Contracts").

The counterparty may be a bank, financial institution, industrial or commercial enterprise, government or government entity or fund. Amundi Issuance's ability to honour its commitments for the securities issued therefore depends on the receipt of payments owed to it with respect to hedging contracts. This risk also includes the settlement risk inherent in any transaction involving payment in cash or the delivery of assets outside of a secure settlement system. As of 31 December 2021, assets weighted for credit and counterparty risk totalled €1.69bn.

### **Market and liquidity risk**

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

With respect to the guarantee provided by Amundi Finance on guaranteed funds, Amundi Finance may enter into derivative transactions before knowing the exact amount of investors' subscription orders, thus exposing Amundi Finance to market risk. If the final amount is lower than expected, Amundi Finance might incur financial costs in unwinding the excess position. Amundi Finance depends on its access to financing and other sources of liquidity, which may be limited for reasons beyond its control and could have a significant adverse effect on its earnings.

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

### **Operational risks and related risks**

- **Regulatory risk**

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

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

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

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

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

- **Operational risks**

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

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

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

Furthermore, Amundi Finance is exposed to the risk of operational malfunctions of its communication and IT systems. Any outage, interruption or security breach affecting these systems could lead to breakdowns or interruptions in its client relationship and service management systems. The Issuer is exposed to cybercrime targeting its customers, suppliers or partners, as well as its own infrastructure and IT data. The interconnection between the different market undertakings and the concentration thereof increases the risk of an impact on the Issuer in the event of attacks targeting one of the links in this chain, notably taking into account the complexity of the systems that must be coordinated within tight deadlines. Amundi Finance cannot guarantee that such outages or interruptions will not occur or, if they do occur, that they will be adequately addressed. The consequences of an operational malfunction or a human error, even if brief and temporary, could lead to significant disruptions in the business of Amundi Finance. Amundi Finance has not experienced any operational incident that could have a negative impact on its results since its creation.

- **Non-compliance and legal risks**

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

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

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

As at 31 December 2021, assets weighted for operational and related risks amounted to €0.24bn.

# **CORPORATE GOVERNANCE REPORT**

## **(Article L. 22-10-10 of the French Commercial)**

### **Composition of the Board of Directors at year-end**

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

Mr Nicolas CALCOEN

#### **Chief Executive Officer and Director**

Mr Olivier GUILBAULT

#### **Deputy Chief Executive Officer and Director**

Mr Ludovic SOUDAN

#### **Directors**

Mr Domenico AIELLO

AMUNDI ASSET MANAGEMENT,  
represented by Mrs Claire CORNIL

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

Mrs Christine FAGE  
Mrs Florence HUCHEZ

#### **Statutory Auditors**

ERNST & YOUNG ET AUTRES,  
represented by Mrs Claire ROCHAS

PRICEWATERHOUSECOOPERS AUDIT,  
represented by Mr Laurent TAVERNIER

## Work of the Board of Directors

### During the financial year:

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

#### **Board of Directors of 22<sup>nd</sup> March 2021**

- Renewal of the term of the Statutory Auditor: PRICEWATERHOUSE COOPERS Audit.
- Expiry of the term of a Director and proposal to submit the renewal to the Ordinary General Meeting.
- Reports of the Board of Directors, examination and approval of the financial statements at 31st December 2020.
- Report of Internal Control of the Company for the 2020 reporting period.
- Report of Internal Control relating for fighting against money laundering, terrorist financing and the asset freezing for the 2020 reporting period.
- Renewal of bond issue programme.
- Merger-Absorption of Amundi Issuance.
- Convening of the Ordinary and Extraordinary General Meeting.
- Gender equality report of the company.

#### **Board of Directors meeting of 21<sup>st</sup> May 2021**

- Valuation of the assets and determination of the shares' exchange parity of AMUNDI ISSUANCE against the shares of AMUNDI FINANCE.
- Merger-absorption and dissolution of AMUNDI ISSUANCE.

#### **Board of Directors meeting of 27<sup>th</sup> July 2021**

- Expiry and non-renewal of the mandate of the alternate statutory auditor: Jean-Baptiste DESCHRYVER.
- Reports of the Board of Directors, examination and approval of the financial statements at 30<sup>th</sup> June 2021.
- Modifications of the articles of association of the company.
  - Transfer of the registered office.
  - Limitations of the powers of the Chief Executive
- Convening of the Ordinary and Extraordinary General Meeting.

### Since the end of the period:

#### **Board of Directors meeting of 23<sup>rd</sup> March 2022**

- Resignation of Director, AMUNDI ASSET MANAGEMENT, represented by Mrs Claire CORNIL.
- Cooptation of Director, Mrs. Sylvie DEHOVE, replacing AMUNDI ASSET MANAGEMENT.
- Reports of the Board of Directors, examination and approval of the financial statements at 31st December 2021.
- Report of Internal Control of the Company for the 2021 reporting period.
- Report of Internal Control relating for fighting against money laundering, terrorist financing and the asset freezing for the 2021 reporting period.
- Renewal of bond issue programme.
- Convening of the Ordinary General Meeting.
- Gender equality report of the company.

## **Diversity policy applied to members of the Board of Directors**

As the balance sheet, the annual turnover or the number of employees do not exceed the threshold set by decree of the Conseil d'Etat, the description of the diversity policy applied to the members of the Board of Directors based on criteria such as gender, age, qualifications, and work experience is not applicable to Amundi Finance.

## **Limitations given by the Board of Directors to the powers of the Chief Executive Officer**

The Chief Executive Officer's powers are not subject to limitations by the Board of Directors.

## **Terms of exercise of the General Management**

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

## **Corporate Governance Code**

Amundi Finance does not refer to any code of corporate governance.

## **Delegations granted by the general shareholders' meeting on capital increase**

Nil.

## **Special arrangements for the participation of shareholders in the General Meeting**

The specific terms of shareholder participation in the General Meeting are set out in Articles 20 to 27 of the Company's articles of association.

## **Regulated agreements**

During the financial year ended 31<sup>st</sup> December 2020, no agreement was concluded within the scope of Article L. 225-38 of the French Commercial Code.

## **Directors' compensation**

### **Remuneration of corporate officers**

It is noted that the Board Members of the Company are not remunerated for their mandate.

With respect to the remuneration of Directors who are Corporate Officers, the items are mentioned in the "Annual Report on the Remuneration Policy and Practices for CRD V Identified Personnel", which can be found in Amundi's 2021 Universal Registration Document, paragraph 2.4.2.3.

It is also noted that Amundi's General Meeting of 12 May 2016 approved setting the cap on the variable portion on behalf of all CRD V identified personnel" of Amundi and its subsidiaries, including Amundi Finance.

Pursuant to Article L. 511-73 of the French Monetary and Financial Code, an advisory opinion on the total remuneration of any kind paid in 2021, amounting to €316,500, to those categories of staff whose professional activities have a significant impact on the risk profile of Amundi Finance, within the meaning of Article L. 511-71 of the French Monetary and Financial Code, is submitted to the 2022 General Meeting.

This resolution takes into account the latest changes in regulations in this area. Since the Board Members are not remunerated for their mandate, only the remuneration of the Chief Executive Officer and that of the Deputy Chief Executive Officer, who are considered CRD V “identified personnel”, are taken into account.

Moreover, and in accordance with the provisions of Article L. 511-78 of the French Monetary and Financial Code, it is proposed at the 2022 General Meeting to set the cap on variable remuneration for the 2022 financial year and until further decision of the General Meeting at 200 % of the fixed remuneration for the categories of staff whose professional activities have a significant impact on the company’s risk profile. This resolution also provides, in accordance with Article L. 511-79 of the French Monetary and Financial Code, that a discount rate may be applied to a maximum of one quarter of the total variable remuneration, provided that the payment is made in the form of deferred instruments for a period of at least five years.

## List of mandates and positions held during the financial year 2020 by the company officers

### Nicolas CALCOEN

Company	Position	Represented
AMUNDI FINANCE	Chairman of the Board of Directors	
BFT INVESTMENT MANAGERS	Chairman of the Board of Directors	
EFAMA (European Fund And Asset Management Association) (*)	Chairman of the Board of Directors	
AMUNDI JAPAN LTD (EX SGAM JAPAN CO LTD)	Chairman of the Board of Directors	
AMUNDI VENTURES	Chief Executive Officer	
AMUNDI INTERMEDIATION	Director	
KBI Global Investors Ltd	Director	
CPR ASSET MANAGEMENT	Director	AMUNDI
AMUNDI SGR S.P.A	Director	

(\*)Mandate expired during the financial year

### Olivier GUILBAULT

Company	Position	Represented
AMUNDI FINANCE	Chief Executive Officer, Person "Effectively Running" the company and Director	
AMUNDI OBLIG MONDE	Director	AMUNDI FINANCE

(\*)Mandate expired during the financial year

### Ludovic SOUDAN

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

(\*)Mandate expired during the financial year

### Claire CORNIL

Company	Position	Represented
AMUNDI ISSUANCE (*)	Director	
AMUNDI FINANCE	Director	AMUNDI ASSET MANAGEMENT
dnA	Director	

(\*)Mandate expired during the financial year

**Domenico AIELLO**

Company	Position	Represented
CPR ASSET MANAGEMENT	Director	
AMUNDI (UK) LIMITED	Director	
AMUNDI FINANCE	Director	
Amundi Austria GmbH (Austria)	Member of the Supervisory Board	
Amundi Deutschland GmbH	Member of the Supervisory Board	
Lyxor Intermediation	Director	
Lyxor Asset Management - LAM	Member of the Supervisory Board	
Lyxor International Asset Management - LIAM	Member of the Supervisory Board	

(\*)Mandate expired during the financial year

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# 02

## Statutory auditor's report on the financial year ended 31 December 2021:

- Report on the financial statements
- Report on related agreements

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

*This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

## Amundi Finance

Year ended December 31, 2021

### Statutory auditors' report on the financial statements

**PricewaterhouseCoopers Audit**

63, rue de Villiers  
92208 Neuilly-sur-Seine cedex  
S.A.S. au capital de € 2 510 460  
672 006 583 R.C.S. Nanterre

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

**ERNST & YOUNG et Autres**

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

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

## Amundi Finance

Year ended December 31, 2021

### Statutory auditors' report on the financial statements

To the Annual General Meeting of Amundi Finance,

#### Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of Amundi Finance for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

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

#### Basis for Opinion

##### ■ Audit Framework

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

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

## ■ Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors for the period from January 1<sup>st</sup>, 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

## Emphasis of Matter(s)

Without calling into question the opinion expressed above, we draw your attention to the paragraph "Retirement, early retirement and end-of-career allowance commitments – defined-benefit plans" of the note 2.11 of the appendix to the financial statements which sets out the consequences of the application of the ANC recommendation n° 2013-02 amended on November 5, 2021 relating to the rules for the valuation and recognition of retirement commitments and similar benefits.

## Justification of Assessments - Key Audit Matters

Due to the global crisis related to the COVID-19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on the performance of audits.

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

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

## Specific verifications

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

## ■ Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

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

With respect to the fair presentation and the consistency with the financial statements of the information relating to the payment deadlines mentioned in Article D.441-6 of the French Commercial Code, we draw your attention to the following matter: as indicated in the management report, this information does not include banking and related transactions as the Company considers that such information is not part of the scope of information to be provided.

## ■ Report on Corporate Governance

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

## Report on Other Legal and Regulatory Requirements

### ■ Appointment of the Statutory Auditors

We were appointed as statutory auditors of Amundi Finance by the annual general meeting held on March 26, 2003 for PricewaterhouseCoopers Audit and on April 26, 2005 for Ernst & Young et Autres.

As at December 31, 2021, PricewaterhouseCoopers Audit and Ernst & Young et Autres were in the 19<sup>th</sup> year and 17<sup>th</sup> year of total uninterrupted engagement respectively.

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

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

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

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

The financial statements were approved by the Board of Directors.

## Statutory Auditors' Responsibilities for the Audit of the Financial Statements

### ■ Objectives and audit approach

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

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

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

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

#### ■ **Report to the Board of Directors acting as Audit Committee**

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

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

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

Neuilly-sur-Seine and Paris-La Défense, April 11, 2022

The Statutory Auditors  
*French original signed by*

PricewaterhouseCoopers Audit

Ernst & Young et Autres

Laurent Tavernier

Claire Rochas

**AMUNDI FINANCE  
INDIVIDUAL FINANCIAL STATEMENTS  
AT 31/12/2021**

**Approved by the Board of Directors of *AMUNDI FINANCE*  
on 23/03/2022**

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**AMUNDI FINANCE**  
**INDIVIDUAL FINANCIAL STATEMENTS AT 31/12/2021**

**BALANCE SHEET AT 31 DECEMBER 2021**

**ASSETS**

(in thousands of euros)	Notes	31/12/2021	31/12/2020
<b>Interbank and similar transactions</b>		<b>1,018,128</b>	<b>889,907</b>
Cash, central banks			
Treasury bills and similar securities	5	527,396	456,267
Loans and receivables due from credit institutions	3	490,732	433,640
<b>Customer transactions</b>	4		
<b>Securities transactions</b>		<b>1,975,947</b>	<b>1,210,620</b>
Bonds and other fixed-income securities	5	1,675,992	910,273
Equities and other variable-income securities	5	299,955	300,346
<b>Fixed assets</b>		<b>273,673</b>	<b>275,733</b>
Equity investments and other long-term securities holdings	6-7		
Shares in affiliated companies	6-7	46,249	48,309
Intangible assets	7	227,424	227,424
Property, plant and equipment	7		
<b>Unpaid subscribed capital</b>			
<b>Treasury shares</b>	8		
<b>Accruals, prepayments and sundry assets</b>		<b>1,514,083</b>	<b>1,682,842</b>
Other assets	9	1,474,491	1,634,966
Accruals	9	39,592	47,876
<b>TOTAL ASSETS</b>		<b>4,781,831</b>	<b>4,059,101</b>

## EQUITY & LIABILITIES

(in thousands of euros)	Notes	31/12/2021	31/12/2020
<b>Interbank and similar transactions</b>		<b>1,985,196</b>	<b>1,193,849</b>
Due to central banks			
Due to credit institutions	11	1,985,196	1,193,849
<b>Customer deposits</b>	12		
<b>Debt securities</b>	13	<b>32,023</b>	<b>12,015</b>
<b>Accruals, deferred income and sundry liabilities</b>		<b>1,945,080</b>	<b>2,053,231</b>
Other liabilities	14	1,438,303	1,768,466
Accruals	14	506,777	284,765
<b>Provisions and subordinated debt</b>		<b>109,123</b>	<b>112,632</b>
Provisions	15-16-17	9,115	12,622
Subordinated debt	19	100,008	100,010
<b>Fund for general banking risks (FGBR)</b>	18		
<b>Shareholders' equity excluding FGBR:</b>	20	<b>710,409</b>	<b>687,375</b>
Share capital		40,320	40,320
Share premiums		217,511	217,511
Reserves		4,416	4,416
Revaluation adjustment			
Regulated provisions and investment subsidies			
Retained earnings		326,218	326,155
Net income pending approval / interim dividends			
Income for the period		121,943	98,973
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>4,781,831</b>	<b>4,059,101</b>

## OFF-BALANCE SHEET

(in thousands of euros)	Notes	31/12/2021	31/12/2020
<b>COMMITMENTS GIVEN</b>			
Financing commitments	26		
Guarantee commitments	26	22,659,986	23,162,660
Securities commitments	26		

(in thousands of euros)		31/12/2021	31/12/2020
<b>COMMITMENTS RECEIVED</b>			
Financing commitments	26		
Guarantee commitments	26		
Securities commitments	26		

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

- Forward currency transactions: note 24
- Transactions on forward financial instruments: note 25
- Assets given and received as collateral: note 26.1

## INCOME STATEMENT AT 31 DECEMBER 2021

(in thousands of euros)	Notes	31/12/2021	31/12/2020
Interest and similar income	28-29	17,195	14,327
Interest and similar expenses	28	-17,500	-16,502
Income from variable-income securities	29	53,241	41,725
Fees and commissions (income)	30	88,570	99,858
Fees and commissions (expenses)	30	-32,499	-35,872
Gains (losses) on trading book	31	42,549	30,742
Gains (losses) on short-term investment portfolios and similar	32	-475	302
Other banking income	33		
Other banking operating expenses	33	-747	-938
<b>Net banking income</b>		<b>150,334</b>	<b>133,642</b>
General operating expenses	34	-8,819	-10,008
Allocations to depreciation and amortisation of property, plant and equipment, and intangible assets			
<b>Gross operating income</b>		<b>141,515</b>	<b>123,633</b>
Cost of risk	35	5,468	-351
<b>Operating income</b>		<b>146,983</b>	<b>123,283</b>
Net income on fixed assets	36		
<b>Earnings before taxes and extraordinary items</b>		<b>146,983</b>	<b>123,283</b>
Net extraordinary items			
Corporate income tax	37	-25,040	-24,310
Net allocation to FGBR and regulated provisions			
<b>Net income</b>		<b>121,943</b>	<b>98,973</b>

## CASH FLOW STATEMENT AT 31 DECEMBER 2021

(in thousands of euros)	31/12/2021	31/12/2020
<b>Profit (loss) before taxes</b>	146,983	123,283
Net depreciation and provisions for property, plant and equipment		
Impairment of goodwill		
Net allocation to impairments	-3,507	-3,746
Share of earnings of equity-method companies		
Net loss/gain of investment activities		
Income/expenses of financing activities	1,198	1,190
Other movements	10,392	-2,414
<b>Total non-monetary items included in the profit (loss) before tax and other adjustments</b>	<b>8,083</b>	<b>-4,970</b>
Flows related to transactions with credit institutions	74,917	49,866
Flows relating to transactions with customers		
Flows relating to other transactions affecting financial assets or liabilities	-831,087	-135,914
Flows relating to transactions affecting non-financial assets or liabilities	22,516	-115,922
Dividends received from equity-method companies		
Taxes paid	17,299	-52,771
<b>Net decrease/(increase) in assets and liabilities from operating activities</b>	<b>-716,355</b>	<b>-254,740</b>
<b>TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES (A)</b>	<b>-561,289</b>	<b>-136,427</b>
Flows relating to investments	2,060	1,393
Flows relating to property, plant and equipment and intangible fixed assets		
<b>TOTAL NET CASH FLOWS FROM INVESTMENT OPERATIONS (B)</b>	<b>2,060</b>	<b>1,393</b>
cash flows from or to shareholders	-98,909	-139,462
Other net cash flows from financing activities	-1,200	-1,193
<b>TOTAL NET CASH FLOWS FROM FINANCING OPERATIONS (C)</b>	<b>-100,109</b>	<b>-140,655</b>
Effect of exchange rate changes and other changes on cash and cash equivalents (D)		
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C+D)</b>	<b>-659,338</b>	<b>-275,690</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>-325,530</b>	<b>-49,840</b>
Net cash accounts and accounts with central banks		
Net demand loans and deposits with credit institutions	-325,530	-49,840
<b>Cash and cash equivalents at end of period</b>	<b>-984,868</b>	<b>-325,530</b>
Net cash accounts and accounts with central banks		
Net demand loans and deposits with credit institutions	-984,868	-325,530
<b>CHANGE IN NET CASH AND CASH EQUIVALENTS</b>	<b>-659,338</b>	<b>-275,690</b>

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

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

Amundi Finance's share capital totalled €40,320,157 at 31 December 2021. It is divided into 2,644,829 shares, each with a par value of €15.24.

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

Ownership of the company:

- 76.13 % by Amundi Asset Management,
- 23.87% by Amundi,

These notes are an integral part of Amundi Finance's interim financial statements for the period ended 31 December 2021. They are expressed in thousands of euros ("€K").

The balance sheet total before appropriation in these financial statements is €4,781,831 K.

Net banking income (NBI) in these financial statements is €150,334 K.

Net income for the financial year is €121,943 K (€121,942,802.77).

### **1.2 Significant events relating to the financial year 2021**

The Covid-19 epidemic defined 2020 with a health crisis that became an economic crisis, leading to a fall in the financial markets and increased volatility.

This epidemic continued throughout 2021 without creating a significant impact on the company's activity.

However, the extent and duration of this crisis remain difficult to predict today.

### **1.3 Events subsequent to financial year 2021**

No significant events occurred subsequent to the financial year close, whether or not they are taken into account in the financial statements.

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

The presentation of the financial statements of Amundi Finance is consistent with the provisions of regulation No. 2020-10 of 22 December 2020, amending ANC regulation No. 2014-07 of 26 November 2014, which brings together all of the accounting standards on the basis of established law applicable to credit institutions.

### **2.1 Loans and receivables due from credit institutions and customers - off-balance sheet commitments**

Loans and receivables from credit institutions, Amundi Group entities and customers are governed by Regulation No. 2020-10 of 22 December 2020 amending ANC Regulation No. 2014-07 of 26 November 2014.

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

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

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

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

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

Pursuant to regulation No. 2020-10 of 22 December 2020, amending ANC regulation No. 2014-07 of 26 November 2014, commissions received and marginal transaction costs incurred are spread out over the effective lifespan of the loan and are therefore incorporated into the outstanding loan in question.

Accrued interest on receivables is recorded in the income statement.

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

Application of regulation No. 2020-10 of 22 December 2020, amending ANC regulation No. 2014-07 of 26 November 2014, has led the entity to recognise receivables posing a risk of default in accordance with the rules defined in the following paragraphs.

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

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

#### Healthy loans and receivables

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

#### Provisions for credit risk on healthy debt

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

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

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

#### Doubtful loans and receivables

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

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

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

#### Uncompromised doubtful loans and receivables:

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

#### Compromised doubtful loans and receivables:

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

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

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

#### Impairment for credit risk on doubtful debt

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

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

#### Accounting treatment of impairment:

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

In accordance with regulation No. 2020-10 of 22 December 2020 amending ANC regulation No. 2014-07 of 26 November 2014, the Group has decided to recognise the increase in book value related to the reversal of the impairment as a result of the passage of time in risk cost.

#### Write-off:

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

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

## **2.2 Securities portfolio**

The rules relating to the accounting of securities transactions are defined by Articles 2311-1 to 2391-1 and Articles 2211-1 to 2251-13 of ANC Regulation 2014-07.

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

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

### **Trading securities**

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

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

At each reporting date, the securities are valued at the most recent market price of the day. .

The total balance of differences resulting from changes in exchange rates is recognised in the income statement and recorded in the item "Net gains (losses) on trading book"

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

This category covers securities that are not included in the other categories.

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

#### Bonds and other fixed-income securities

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

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

#### Equities and other variable-income securities

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

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

At year-end, short-term investment securities are valued at the lower of their purchase price and their market value. Accordingly, when the inventory value of a line is lower than the book value, the unrealised loss is written down as an impairment loss, without set-off with capital gains earned on other categories of securities. Hedging gains under the ANC regulation 2014-7 in the form of purchases or sales of forward financial instruments are taken into account when calculating impairments. Potential capital gains are not recorded.

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

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

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

- Shares in affiliated undertakings are shares in exclusively controlled undertakings that are, or may be, fully consolidated in the same group.
- Participating interests are investments (other than investments in an affiliated company), of which the long-term ownership is judged beneficial to the reporting entity, in particular because it allows it to exercise influence or control over the issuer.
- Other long-term securities holdings are investments made with the intention of promoting long-term business relations by creating a special relationship with the issuer, but with no influence on the issuer’s management due to the small percentage of voting rights held.

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

At the reporting date, the value of these securities is measured individually, based on value in use, and they are recorded on the balance sheet at the lower historical cost or value in use.

The value in use represents what the institution would agree to pay out in order to acquire them, given its holding objectives.

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

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

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

## **Market price**

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

- securities traded in an active market are valued at their most recent price,
- if the market on which the security is traded is not or is no longer considered to be active, or if the share is not listed, Amundi Finance determines the probable trading value of the security in question by using valuation techniques. Firstly, these techniques refer to recent transactions carried out in normal competitive conditions. If applicable, Amundi Finance uses standard valuation techniques used by market players to value these securities when it has been determined that these techniques produce reliable estimations of prices achieved in transactions on the real market.

## **Reclassification of securities**

In accordance with regulation No. 2020-10 of 22 December 2020 amending ANC Regulation No. 2014-07 of 26 November 2014, the following reclassifications of securities are authorised:

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

In 2021, AMUNDI FINANCE did not reclassify any security under regulation No. 2020-10 of 22 December 2020 amending ANC regulation 2014-07 of 26 November 2014.

## **2.3 Fixed assets**

Amundi Finance applies ANC Regulation 2014-03 relating to the depreciation, amortisation and impairment of assets. It applies component accounting for all of its property, plant and equipment. In accordance with the provisions of this regulation, the depreciable amount takes account of the potential residual value of property, plant and equipment.

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

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

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

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

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

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

With the exception of software, patents, and licenses, intangible assets are not amortised.

Fixed assets are depreciated over their estimated useful lives.

The following components and depreciation periods were applied by Amundi Finance following the application of the component method of fixed asset accounting. It should be remembered that these depreciation periods should be adapted to the nature of the construction and its location:

<b>Component</b>	<b>Period of depreciation</b>
Technical installations and fixtures	5 years
IT equipment	3 years

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

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

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

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

## **2.5 Debt securities**

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

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

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

## **2.6 Provisions**

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

In particular, these provisions include provisions relating to financing commitments, retirement and early retirement liabilities, litigation and various risks.

All of these risks are assessed on a quarterly basis.

## **2.8 Financial futures and options**

Hedging and market transactions on forward interest rate, exchange or equities instruments are recognised in accordance with the provisions of regulation No. 2020-10 of 22 December 2020 amending ANC Regulation 2014-07 of 26 November 2014.

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

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*Notes to the annual financial statements – 31 December 2021*

At 31 December 2021, forward financial commitments totalled €61,555,917K.

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

All (realised or unrealised) gains and losses were recorded on the income statement under “Net gains (losses) on trading book” for a net amount representing income of €42,549,173.49, including €37,473,912.54 in Commercialisation Risk Compensation (CRC) related to the launch of new funds and EMTNs.

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

#### Trading

Trading includes:

- Isolated open positions (category “a” Article 2522-1 of regulation No. 2020-10 of 22 December 2020 amending ANC regulation No. 2014-07 of 26 November 2014),
- Specialised management of a trading portfolio (category “D” Article 2522 of regulation No. 2020-10 of 22 December 2020 amending ANC regulation No. 2014-07 of 26 November 2014);
- instruments that are traded on an organised or similar market, traded over the counter or included in a trading portfolio pursuant to regulation No. 2020-10 of 22 December 2020 amending ANC regulation No. 2014-07.

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

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

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

-

For instruments:

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

When part of a trading portfolio, all gains and losses (whether realised or unrealised) are recognised

#### Hedging transactions

Gains or losses on affected hedging transactions (Category “B”, Article 2522-1 of ANC Regulation 2014-07) are reported as income alongside the booking of income and expenses for the hedged item and in the same accounting item.

#### Counterparty risk on derivatives

Pursuant to regulation No. 2020-10 of 22 December 2020 amending ANC regulation No. 2014-07 of 26 November 2014, Amundi Finance includes the counterparty risk assessment on asset derivatives (Credit Valuation Adjustment or CVA) in the market value of derivatives. As such, only derivatives booked in isolated open positions or in trading portfolios (derivatives classified according to categories “A” and “D” of Article 2522-1 of the aforementioned regulation) are calculated on a CVA basis.

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

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

The methodology used maximises the use of observable entry data.

It is based on:

- Firstly, market parameters, such as CDS Single Name or CDS proxy.
- In the absence of CDS Single Name on the counterparty, an approximation based on a basket of CDS Single Name counterparties with the same rating, operating in the same sector and located in the same region.

### Complex transactions

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

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

## **2.8 Transactions in foreign currencies**

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

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

In accordance with regulation No. 2020-10 of 22 December 2020 amending ANC regulation No. 2014-07 of 26 November 2014, Amundi Finance has rolled out a multi-currency accounting system so that it can track its currency position and measure its exposure to this risk.

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

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

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

### Guarantee commitments given

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

At 31 December 2021, these guarantees given as well as guarantees granted directly totalled €22,659,986k.

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

These items are however detailed in notes 26 and 26.1.

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

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*Notes to the annual financial statements – 31 December 2021*

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

Profit sharing and incentive plans are recognised under personnel expenses.

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

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

### **Retirement plans - defined contribution plans**

Employers contribute to a variety of compulsory pension schemes. Plan assets are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have sufficient assets to cover all benefits corresponding to services rendered by employees during the year and during prior years.

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

The amount contributed for these pension schemes is recorded in "Employee expenses".

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

Amundi Finance has applied Recommendation 2013-02 of the French Accounting Standards Authority relating to the rules for booking and assessing pension obligations and similar benefits, recommendation repealed and included in ANC Regulation 2014-03.

This recommendation was amended by the ANC on 5 November 2021. For defined benefit plans which make the granting of benefits subject to performance as well as seniority, for a maximum capped amount and provided that the employee is employed by the entity when he/she reaches retirement age, it makes it possible to determine the distribution of benefits on a straight-line basis based on:

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

As of 2021, Amundi Finance applies the determination of the distribution of benefits on a straight-line basis from the date on which each service year is used for the acquisition of benefits (i.e. convergence with the April 2021 IFRS IC decision on IAS 19). The impact on the level of actuarial liabilities was €245K (as presented in Note 17 to the financial statements).

The impact of the first-time application is recognised with a contra entry in Retained Earnings (see Note 20 on equity): it amounts to €61K, with a contra entry of €87K against provisions for pension commitments (see Note 15 Provisions).

The sensitivity rates (at 31 December 2021) demonstrate that:

- a 50 basis point increase in discount rates would reduce the commitment by 7.27 %.
- a 50 basis point decrease in discount rates would increase the commitment by 7.93%.

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

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

## **2.12 Extraordinary expenses and income**

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

## **2.13 Corporate income tax**

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

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

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

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

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

(in thousands of euros)	31/12/2021						31/12/2020
	<3 months	>3 months <1 year	>1 year <5 years	>5 years	Total principal	Accrued interest	Total
<b>Credit institutions</b>							
Accounts and loans:							
· demand	489,328				489,328		489,328
· term			1,000		1,000	404	1,404
Securities received under repurchase agreements							
Securities bought under repurchase agreements							
Subordinated loans							
<b>Total</b>	<b>489,328</b>		<b>1,000</b>		<b>490,328</b>	<b>404</b>	<b>490,732</b>
<b>Impairment</b>							
<b>NET CARRYING AMOUNT</b>	<b>489,328</b>		<b>1,000</b>		<b>490,328</b>	<b>404</b>	<b>490,732</b>
Ordinary accounts							
Term deposits and advances							
<b>Total</b>							
<b>Impairment</b>							
<b>NET CARRYING AMOUNT</b>							
<b>TOTAL</b>	<b>489,328</b>		<b>1,000</b>		<b>490,328</b>	<b>404</b>	<b>490,732</b>

### NOTE 4 CUSTOMER TRANSACTIONS

None

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

In thousands of euros	31/12/2021					31/12/2020
	Transaction	Investment	Portfolio securities	Investment	Total	Total
Treasury bills and similar securities:		525,687			525,687	454,558
· o/w residual net premium		14,687			14,687	18,558
· o/w residual net discount						
Accrued interest		1,709			1,709	1,709
Impairment						
<b>Net carrying amount</b>		<b>527,396</b>			<b>527,396</b>	<b>456,267</b>
Bonds and other fixed income securities:	1,644,929	31,051			1,675,980	910,268
Issued by public bodies						
Other issuers	1,644,929	31,051			1,675,980	910,268
· o/w residual net premium						
· o/w residual net discount						
Accrued interest		12			12	6
Impairment						
<b>Net carrying amount</b>	<b>1,644,929</b>	<b>31,063</b>			<b>1,675,992</b>	<b>910,273</b>
Equities and other variable-income securities		300,346			300,346	300,346
Accrued interest						
Impairment		-391			-391	
<b>Net carrying amount</b>		<b>299,955</b>			<b>299,955</b>	<b>300,346</b>
<b>Total</b>	<b>1,644,929</b>	<b>858,414</b>			<b>2,503,343</b>	<b>1,666,887</b>
<b>Estimated values</b>	<b>1,644,929</b>	<b>858,414</b>			<b>2,503,343</b>	<b>1,666,887</b>

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

In thousands of euros	Net outstandings 31/12/2021	Net assets 31/12/2020
Governments and central banks (including central governments)		
Credit institutions	44,278	42,494
Financial companies	1,932,048	1,168,120
Local authorities		
Corporates, insurers and other clients		
Other and non-allocated		
<b>Total principal</b>	<b>1,976,326</b>	<b>1,210,614</b>
Accrued interest	12	6
Impairment	-391	
<b>Net carrying amount</b>	<b>1,975,947</b>	<b>1,210,620</b>

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

(in thousands of euros)	31/12/2021				31/12/2020			
	Bonds and other fixed-income securities	Treasury bills and similar securities	Equities and other variable-income securities	Total	Bonds and other fixed-income securities	Treasury bills and similar securities	Equities and other variable-income securities	Total
Listed securities	1,630,130	525,687		2,155,818	869,784	454,558		1,324,342
Unlisted securities	45,849		300,346	346,195	40,484		300,346	340,830
Accrued interest	12	1,709		1,721	6	1,709		1,715
Impairment			-391	-391				
<b>Net carrying amount</b>	<b>1,675,992</b>	<b>527,396</b>	<b>299,955</b>	<b>2,503,343</b>	<b>910,273</b>	<b>456,267</b>	<b>300,346</b>	<b>1,666,887</b>

The breakdown of all UCITS by type at 31 December 2021 is as follows:

(in thousands of euros)	Inventory value	Net asset value
Money market UCITS		
Bond UCITS		
Equity UCITS		
Other UCITS	299,955	299,955
<b>TOTAL</b>	<b>299,955</b>	<b>299,955</b>

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

In thousands of euros	31/12/2021							31/12/2020
	<3 months	>3 months <1 year	>1 year <5 years	>5 years	Total principal	Accrued interest	Total	Total
Bonds and other fixed-income securities								
Gross value	61	860	35,057	1,640,002	1,675,980	12	1,675,992	910,273
Impairment								
<b>Net carrying amount</b>	<b>61</b>	<b>860</b>	<b>35,057</b>	<b>1,640,002</b>	<b>1,675,980</b>	<b>12</b>	<b>1,675,992</b>	<b>910,273</b>
Treasury bills and similar securities								
Gross value		90,670	358,531	76,486	525,687	1,709	527,396	456,267
Impairment								
<b>Net carrying amount</b>		<b>90,670</b>	<b>358,531</b>	<b>76,486</b>	<b>525,687</b>	<b>1,709</b>	<b>527,396</b>	<b>456,267</b>

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

	Net assets 31/12/2021	Net assets 31/12/2020
In thousands of euros		
France (including overseas departments and territories)	2,128,376	1,289,411
Other EU countries	73,290	75,415
Other European countries		
North America		
Central and South America		
Africa and the Middle East		
Asia and Oceania (excluding Japan)		
Japan		
<b>Total principal</b>	<b>2,201,667</b>	<b>1,364,826</b>
Accrued interest	1,721	1,715
Impairment		
<b>NET CARRYING AMOUNT</b>	<b>2,203,388</b>	<b>1,366,540</b>

## NOTE 6 EQUITY INVESTMENTS AND SUBSIDIARIES

(in thousands of euros)

Company	Financial information			Book value of securities owned		Outstandi ng loans and advances granted by the company	Guarant ees and other commit ments given by the compan y	Revenu e excl. tax for the year ended	Net income (profit or loss for the year ended)	Dividends received by the company during the financial year
	Curren cy	Capital	Equity other than share capital	Percenta ge of capital owned	Gross value					
Equity investments with a book value higher than 1% of the company's share capital										
1) Shares in affiliated companies held in credit institutions (more than 50% of share capital)										
2) Shares in affiliated companies held in credit institutions (10% to 50% of share capital)										
3) Other shares in affiliated companies (more than 50% of share capital)										
AMUNDI ESR	EUR	24,000	3,181	99.99%	34,167	34,167		55,270	9,228	10,536
4) Other shares in affiliated companies (10% to 50% of share capital)										
AMUNDI INTERMEDIATION	EUR	14,604	43,298	38.53%	5,628	5,628		211,944	117,452	42,708
5) Other shares in affiliated companies (1% to 10% of share capital)										
DNA SA	EUR	2,231	-250	100.00%	2,231	1,981			-117	
Amundi Finance Emissions	EUR	2,226	11,731	99.99%	2,226	2,226			-825	
LCL Emissions	EUR	2,225	2,817	99.99%	2,225	2,225			773	
Equity investments with a book value lower than 1% of Amundi Finance's share capital										
	EUR				41	22				
TOTAL SUBSIDIARIES AND EQUITY INVESTMENTS					46,518	46,249				

(1) For the subsidiary DNA SA, shareholders' equity other than share capital and results for the last financial year ended are those as of 31/12/2020. The information as of 31/12/2021 has not been communicated at this stage.

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## NOTE 6.1 ESTIMATED VALUE OF EQUITY INVESTMENTS

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

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

## NOTE 7 CHANGE IN FIXED ASSETS

### NOTE 7.1 Financial assets

(in thousands of euros)	01/01/2021	Increases (Acquisitions)	Decreases (disposals, maturity)	Other movements	31/12/2021
<b>Shares in affiliated companies</b>					
Gross values	48,518		-2,000		46,518
Advances available for consolidation					
Accrued interest					
Impairment	-209	-106	46		-269
<b>NET CARRYING AMOUNT</b>	<b>48,309</b>	<b>-106</b>	<b>-1,954</b>		<b>46,249</b>
<b>Equity investments</b>					
Gross values					
Advances available for consolidation					
Accrued interest					
Impairment					
<b>Other long-term securities holdings</b>					
Gross values					
Advances available for consolidation					
Accrued interest					
Impairment					
<b>NET CARRYING AMOUNT</b>					
<b>TOTAL</b>	<b>48,309</b>	<b>-106</b>	<b>-1,954</b>		<b>46,249</b>

### NOTE 7.2 Property, plant and equipment, and intangible assets

(in thousands of euros)	01/01/2021	Increases (Acquisitions)	Decreases (disposals, maturity)	Other movements	31/12/2021
<b>Property, plant and equipment</b>					
Gross values					
Amortisation and impairment					
<b>NET CARRYING AMOUNT</b>					
<b>Intangible assets</b>					
Gross values	227,424				227,424
Amortisation and impairment					
<b>NET CARRYING AMOUNT</b>	<b>227,424</b>				<b>227,424</b>
<b>TOTAL</b>	<b>227,424</b>				<b>227,424</b>

## NOTE 8 TREASURY SHARES

None

## NOTE 9 ACCRUALS, PREPAYMENTS AND SUNDRY ASSETS

(in thousands of euros)	31/12/2021	31/12/2020
<b>Other assets (1)</b>		
Options purchased	1,205,108	1,305,824
Inventory accounts and other resources used		
Sundry debtors (2)	269,383	329,142
Collective management of LDD securities		
Settlement accounts		
<b>Net carrying amount</b>	<b>1,474,491</b>	<b>1,634,966</b>
<b>Accruals</b>		
Collection and transfer accounts		
Adjustment accounts and variance accounts		
Unrealised losses and deferred losses on financial instruments		
Accrued income on commitments on forward financial instruments		
Other accrued income	39,560	47,806
Prepaid expenses		
Deferred expenses	31	69
Other accruals		
<b>Net carrying amount</b>	<b>39,592</b>	<b>47,876</b>
<b>Total</b>	<b>1,514,083</b>	<b>1,682,842</b>

(1) Amounts including accrued interest.

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

OTHER ASSETS are primarily composed of options purchased (1,205,108 K), deposits paid in connection with the collateral activity (€218,690 K), corporation tax instalments (€25,356 K), trade receivables (€2,375 K), and other receivables (€21,570 K).

Other income to be received concerns mainly the guarantee activity.

## NOTE 10 IMPAIRMENT LOSSES DEDUCTED FROM ASSETS

(in thousands of euros)	Balance at 31/12/2020	Allocations	Reversals and uses	Accretion	Other movements	Balance at 31/12/2021
On interbank and similar transactions						
On customer receivables						
On securities transactions	209	497	-46			660
On fixed assets						
On other assets						
<b>Total</b>	<b>209</b>	<b>497</b>	<b>-46</b>			<b>660</b>

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

(in thousands of euros)	31/12/2021					Accrued interest	Total	31/12/2020 Total
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal			
<b>Credit institutions</b>								
Accounts and borrowings:								
· demand	1,474,196				1,474,196		1,474,196	757,849
· term	205,000	306,000			511,000		511,000	436,000
Pledged securities								
Securities sold under repurchase agreements								
<b>CARRYING AMOUNT</b>	<b>1,679,196</b>	<b>306,000</b>			<b>1,985,196</b>		<b>1,985,196</b>	<b>1,193,849</b>

## NOTE 12 CUSTOMER DEPOSITS

None

## NOTE 13 DEBT SECURITIES

### Note 13.1 Debt securities – Analysis by remaining maturity

(in thousands of euros)	31/12/2021					Accrued interest	Total	31/12/2020 Total
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total principal			
Short-term borrowing note								
Interbank market securities								
Negotiable debt securities			21,009	11,000	32,009	15	32,023	12,015
Bonds								
Other debt securities								
<b>CARRYING AMOUNT</b>			<b>21,009</b>	<b>11,000</b>	<b>32,009</b>	<b>15</b>	<b>32,023</b>	<b>12,015</b>

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## NOTE 14 ACCRUALS, DEFERRED INCOME AND SUNDRY LIABILITIES

(in thousands of euros)	31/12/2021	31/12/2020
<b>Other liabilities (1)</b>		
Counterparty transactions (trading securities)		
Liabilities representing borrowed securities		
Options sold	750,190	1,089,320
Settlement and trading accounts		
Miscellaneous creditors	688,113	679,146
Payments on securities in process		
<b>Carrying amount</b>	<b>1,438,303</b>	<b>1,768,466</b>
<b>Accruals</b>		
- Collection and transfer accounts		
- Accrual accounts and variance accounts		
- Unrealised gains and gains to be spread out on financial instruments	14,719	18,627
- Deferred income	2,589	4,053
- Accrued expenses on commitments on forward financial instruments	476,905	253,125
- Other accrued expenses	12,565	8,960
- Other accruals		
<b>Carrying amount</b>	<b>506,777</b>	<b>284,765</b>
<b>TOTAL</b>	<b>1,945,080</b>	<b>2,053,231</b>

(1) Amounts including accrued interest.

OTHER LIABILITIES are primarily composed of options sold (€750,190 K), security deposits received in connection with the collateral activity (€661,461 K), and corporation tax charges (€25,044 K), with the remainder consisting of other liabilities.

## NOTE 15 PROVISIONS

In thousands of euros	Balance at 01/01/2021	Allocations	Reversals used	Reversals not used	Other movements	Balance at 31/12/2021
<b>Provisions</b>						
For pensions and similar obligations	87	61			-61	87
For other employee commitments						
For financial commitment execution risks	7,946		-2,218	-5,468		260
For tax disputes						
For other litigation						
For country risk						
For credit risk						
For restructuring						
For taxes						
For equity investments						
For operational risk						
Other provisions	4,589	7,299	-3,111	-9		8,768
<b>CARRYING AMOUNT</b>	<b>12,622</b>	<b>7,360</b>	<b>-5,330</b>	<b>-5,476</b>	<b>-61</b>	<b>9,115</b>

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## NOTE 16 HOME OWNERSHIP SAVINGS

None

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

<u>Change in actuarial liability</u>			<u>Change in fair value of plan assets</u>		
(in thousands of euros)	31/12/2021	31/12/2020	(in thousands of euros)	31/12/2021	31/12/2020
<b>Actuarial liability at 31/12/N-1</b>	<b>236</b>	<b>207</b>	<b>Fair value of assets/right to reimbursement at 31/12/N-1</b>	<b>148</b>	<b>144</b>
Cost of services rendered during the period	15	12	Expected return on assets	1	1
Effect of discounting	2	2	Actuarial gains (losses)	8	3
Employee contributions			Employer contribution		
Benefit plan changes, withdrawals, and settlement			Employee contribution		
Change in scope	-61		Benefit plan changes/withdrawals/settlement		
Early retirement allowances			Change in scope		
Benefits paid			Early retirement allowances		
Actuarial gains (losses)	53	15	Benefits paid by the fund		
<b>Actuarial liability at 31/12/N</b>	<b>245</b>	<b>236</b>	<b>Fair value of assets / right to reimbursement at 31/12/N</b>	<b>157</b>	<b>148</b>
			<u>Net position</u>		
<u>Breakdown of the net charge recognised in the income statement</u>					
(in thousands of euros)	31/12/2021	31/12/2020	(in thousands of euros)	31/12/2021	31/12/2020
			<b>Actuarial liability at 31/12/N</b>	<b>245</b>	<b>236</b>
Cost of services rendered during the period	15	12	Impact of asset restriction		
Financial cost	2	2	Fair value of assets at year-end	-157	-148
Expected return on assets during the period	-2	-1	<b>Net position (liabilities)/assets at 31/12/N</b>	<b>-88</b>	<b>-88</b>
Amortisation of past service cost					
Other gains or losses					
<b>Net charge recognised in the income statement</b>	<b>15</b>	<b>13</b>			

## NOTE 18 FUND FOR GENERAL BANKING RISKS

None

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## NOTE 19 SUBORDINATED DEBT: ANALYSIS BY REMAINING MATURITY

	31/12/2021						31/12/2020
	<3 months	>3 months <1 year	>1 year <5 years	>5 years	Total principal	Accrued interest	Total
(in thousands of euros)							
<b>Forward subordinated debt</b>							
Euro							
Dollar							
<b>Shares and subordinated loans</b>							
<b>Other forward subordinated loans</b>							
<b>Perpetual subordinated debt (1)</b>				100,000	100,000	8	100,008
<b>Frozen current accounts of local banks</b>							
<b>Mutual security deposits</b>							
<b>CARRYING AMOUNT</b>				<b>100,000</b>	<b>100,000</b>	<b>8</b>	<b>100,008</b>

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

Expenses related to subordinated debt total €8 million at 31 December 2021.

## NOTE 20 STATEMENT OF CHANGES TO SHAREHOLDERS' EQUITY

(in thousands of euros)	Capital	Premiums, reserves and retained earnings	Interim dividends	Regulated provisions and investment subsidies	Net income	Total shareholders' equity
<b>Balance at 31 December 2020</b>	<b>40,320</b>	<b>548,082</b>			<b>98,973</b>	<b>687,375</b>
Dividends paid for 2020		-98,970				-98,970
Change in share capital						
Change in share premiums and reserves						
Appropriation of company income		98,973			-98,973	
Retained earnings						
Profit for financial year 2021					121,943	121,943
Other changes		61				61
<b>Balance at 31 December 2021</b>	<b>40,320</b>	<b>548,146</b>			<b>121,943</b>	<b>710,409</b>

## NOTE 21 COMPOSITION OF EQUITY

(in thousands of euros)	31/12/2021	31/12/2020
Shareholders' equity	710,409	687,375
Fund for general banking risks		
Subordinated debt and participating securities	100,008	100,010
Mutual security deposits		
<b>TOTAL CAPITAL</b>	<b>810,417</b>	<b>787,385</b>

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## NOTE 22 TRANSACTIONS WITH AFFILIATED COMPANIES AND EQUITY INVESTMENTS

(in thousands of euros)	Balance at 31 December 2021 Transactions with affiliated companies and equity investments	Balance at 31 December 2020 Transactions with affiliated companies and equity investments
<b>Loans and receivables</b>	<b>2,156,550</b>	<b>1,342,615</b>
Credit institutions and financial institutions	480,559	433,640
Customers		
Bonds and other fixed-income securities	1,675,992	908,975
<b>Debts</b>	<b>2,085,204</b>	<b>1,293,720</b>
Credit institutions and financial institutions	1,985,196	1,193,710
Customers		
Debt securities and subordinated debt	100,008	100,010
<b>Commitments given</b>	<b>13,621,198</b>	<b>13,227,687</b>
Financing commitments to credit institutions		
Financing commitments to customers		
Guarantees given to credit institutions		
Guarantees given to customers	13,621,198	13,227,687
Securities acquired with purchase or buyback option		
Other commitments given		

## NOTE 23 TRANSACTIONS IN FOREIGN CURRENCIES

(in thousands of euros)	31/12/2021		31/12/2020	
	Assets	Liabilities	Assets	Liabilities
Euro	4,781,160	4,781,841	4,059,012	4,059,101
Other EU currencies	214	-12	46	
Swiss franc				
Dollar	267	2		
Yen	71			
Other currencies	119		43	
<b>Total</b>	<b>4,781,831</b>	<b>4,781,831</b>	<b>4,059,101</b>	<b>4,059,101</b>

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

(in thousands of euros)	31/12/2021		31/12/2020	
	receivable	payable	receivable	payable
<b>Foreign exchange spot transactions</b>				
Currencies				
Euros				
<b>Forward exchange transactions</b>	39,285	39,746	40,866	40,768
Currencies	19,487	19,715	20,251	20,251
Euros	19,798	20,031	20,615	20,517
<b>Lending and borrowing in foreign currencies</b>				
<b>TOTAL</b>	<b>39,285</b>	<b>39,746</b>	<b>40,866</b>	<b>40,768</b>

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## NOTE 25 TRANSACTIONS ON FORWARD FINANCIAL INSTRUMENTS

	31/12/2021			31/12/2020
(in thousands of euros)	Hedging transactions	Other transactions	Total	Total
<b>Outright transactions</b>	<b>511,000</b>	<b>39,238,897</b>	<b>39,749,897</b>	<b>46,758,202</b>
<b>Transactions on organised markets (1)</b>				
Interest rate futures				
Currency forwards				
Equity and stock market index forwards				
Other forwards				
<b>Over-the-counter transactions (1)</b>	<b>511,000</b>	<b>39,238,897</b>	<b>39,749,897</b>	<b>46,758,202</b>
Interest rate swaps	511,000	2,155,008	2,666,008	3,328,762
Other interest rate forwards				
Currency forwards		79,031	79,031	81,634
FRAs				
Equity and stock market index forwards		37,004,858	37,004,858	43,347,806
Other forwards				
<b>Conditional transactions</b>		<b>21,806,019</b>	<b>21,806,019</b>	<b>24,317,160</b>
<b>Transactions on organised markets</b>				
Interest rate futures				
* Bought				
* Sold				
Equity and stock market index forwards				
* Bought				
* Sold				
Currency futures				
* Bought				
* Sold				
<b>Over-the-counter transactions</b>		<b>21,806,019</b>	<b>21,806,019</b>	<b>24,317,160</b>
Interest rate swaptions:				
* Bought				
* Sold				
Other forward Interest rate instruments				
* Bought				
* Sold				
Currency forwards:				
* Bought				
* Sold				
Equities and stock market index forwards				
* Bought		17,196,101	17,196,101	18,881,987
* Sold		4,609,919	4,609,919	5,435,173
Other forwards				
* Bought				
* Sold				
<b>Credit derivatives</b>				
Credit derivative contracts:				
* Bought				
* Sold				
<b>TOTAL</b>	<b>511,000</b>	<b>61,044,917</b>	<b>61,555,917</b>	<b>71,075,362</b>

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

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

	Total 31/12/2021			o/w over-the-counter			o/w transactions on organised markets and similar		
(in thousands of euros)	<1 year	> 1 year < 5 years	> 5 years	<1 year	> 1 year < 5 years	> 5 years	<1 year	> 1 year < 5 years	> 5 years
Futures									
Currency options									
Interest rate options									
Outright currency transactions on organised markets									
FRAs									
Interest rate swaps	213,832	1,888,532	563,644	213,832	1,888,532	563,644			
Currency swaps									
Caps, Floors, Collars									
Interest rate forwards									
Outright transactions on equities and indices	2,277,398	12,684,813	22,042,647	2,277,398	2,277,398	22,042,647			
Conditional transactions on equities and indices		7,700,208	14,105,811		7,700,208	14,105,811			
Equity and equity index derivatives									
<b>Sub-total</b>	2,491,230	22,273,554	36,712,102	2,491,230	11,866,138	36,712,102			
Forward currency transactions		79,031			79,031				
<b>Grand total</b>	<b>2,491,230</b>	<b>22,352,584</b>	<b>36,712,102</b>	<b>2,491,230</b>	<b>11,945,169</b>	<b>36,712,102</b>			

## NOTE 25.2 FORWARD FINANCIAL INSTRUMENTS: FAIR VALUE

(in thousands of euros)	31/12/2021		31/12/2020	
	Fair value	Outstanding notional amount	Fair value	Outstanding notional amount
Futures				
Currency options				
Outright currency transactions on organised markets				
FRAs				
Interest rate swaps	-1,465	2,666,008	-712	3,328,762
Currency swaps				
Caps, Floors, Collars				
Equity, equity index and precious metal derivatives	-16,171	58,810,878	-29,709	67,664,966
<b>Sub-total</b>	<b>-17,637</b>	<b>61,476,886</b>	<b>-30,422</b>	<b>70,993,728</b>
Forward currency transactions	5	79,031		81,634
<b>TOTAL</b>	<b>-17,632</b>	<b>61,555,917</b>	<b>-30,422</b>	<b>71,075,362</b>

## NOTE 25.3 BREAKDOWN OF INTEREST RATE SWAPS

(in thousands of euros)				
INTEREST RATE AND CURRENCY SWAPS	Isolated open position	Micro-hedging	Macro-hedging	Transaction swaps
Exchange rate contracts		511,000		2,155,008
Similar contracts (1)				

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

## NOTE 26 FINANCING AND GUARANTEE COMMITMENTS AND OTHER GUARANTEES

<i>(in thousands of euros)</i>	31/12/2021	31/12/2020
<b>COMMITMENTS GIVEN</b>	<b>22,659,986</b>	<b>23,162,660</b>
<b>Financing commitments</b>		
Commitments to credit institutions		
Commitments to customers		
- Confirmed credit lines		
Documentary credit lines		
Other confirmed credit lines		
- Other commitments to customers		
<b>Guarantee commitments</b>	<b>22,659,986</b>	<b>23,162,660</b>
Commitments to credit institutions		
- Confirmed documentary credit lines		
- Other guarantees		
Commitments to customers	22,659,986	23,162,660
- Property guarantees		
- Financial guarantees		
- Other guarantees to customers	22,659,986	23,162,660
<b>Securities commitments</b>		
. Securities acquired with repurchase or buyback option		
. Other commitments to be given		
<b>COMMITMENTS RECEIVED</b>		
<b>Financing commitments</b>		
Commitments received from credit institutions		
Commitments received from customers		
<b>Guarantee commitments</b>		
Commitments received from credit institutions		
Commitments received from customers		
<b>Securities commitments</b>		
Securities sold with repurchase or buyback option		
Other commitments received		

### NOTE 26.1 ASSETS GIVEN AND RECEIVED AS COLLATERAL

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

- securities received from counterparties as guarantees in the amount of €1,447,453 K,
- securities given to counterparties as guarantees in the amount of €512,025 K.

## NOTE 27 INFORMATION ON COUNTERPARTY RISK ON DERIVATIVES

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

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

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

### **Breakdown of counterparty risk on financial futures**

	31/12/2021			31/12/2020		
	Market value	Potential credit risk	Total counterparty risk	Market value	Potential credit risk	Total counterparty risk
(in thousands of euros)						
Risk regarding OECD governments and central banks and similar organisations						
Risk regarding OECD financial institutions and similar organisations	1,631,343	4,350	1,626,993	1,897,853	6,199	1,891,654
Risks on other counterparties						
<b>Total before impact of netting agreements</b>	<b>1,631,343</b>	<b>4,350</b>	<b>1,626,993</b>	<b>1,897,853</b>	<b>6,199</b>	<b>1,891,654</b>
<b>O/w risk on:</b>						
interest rate, currency and commodities contracts	42,929		42,929	94,261		94,261
Equity and index derivatives	1,588,414		1,588,414	1,803,592		1,803,592
<b>Total before impact of netting agreements</b>	<b>1,631,343</b>		<b>1,631,343</b>	<b>1,897,853</b>		<b>1,897,853</b>
<b>Impact of netting agreements</b>	<b>660,551</b>		<b>660,551</b>	<b>650,558</b>		<b>650,558</b>
<b>Total after impact of netting agreements</b>	<b>970,792</b>	<b>4,350</b>	<b>966,442</b>	<b>1,247,295</b>	<b>6,199</b>	<b>1,241,096</b>

## NOTE 28 NET INTEREST AND SIMILAR INCOME

(in thousands of euros)	31/12/2021	31/12/2020
On transactions with credit institutions	6,217	4,061
On transactions with customers	368	8
On bonds and other fixed-income securities	830	555
Net income on macro-hedging transactions		
Other interest and similar income	48	14
<b>Interest and similar income</b>	<b>7,464</b>	<b>4,638</b>
On transactions with credit institutions	-2,552	-2,591
On transactions with customers	-649	-1,337
Net expense on macro-hedging transactions	-3,062	-2,111
On bonds and other fixed-income securities	-1,317	-614
Other interest and similar expenses	-190	-161
<b>Interest and similar expenses</b>	<b>-7,769</b>	<b>-6,814</b>
<b>Total net interest and similar income</b>	<b>-305</b>	<b>-2,176</b>

## NOTE 29 INCOME FROM SECURITIES

(in thousands of euros)	31/12/2021	31/12/2020
Short-term investment securities		
Sustainable development passbook account (LDD)		
Long-term investment securities		
Other securities transactions		
<b>Income from fixed-income securities</b>		
Investments in affiliated companies, participating interests, and other long-term securities holdings	53,241	41,725
Short-term investment securities and medium-term portfolio securities		
Other securities transactions		
<b>Income from variable-income securities</b>	<b>53,241</b>	<b>41,725</b>
<b>TOTAL INCOME FROM SECURITIES</b>	<b>53,241</b>	<b>41,725</b>

**NOTE 30 NET FEE AND COMMISSION INCOME**

(in thousands of euros)	31/12/2021			31/12/2020		
	Income	Expenses	Net	Income	Expenses	Net
On transactions with credit institutions						
On transactions with customers						
On securities transactions	30,146	-21,169	8,977	27,590	-19,750	7,840
On financial forwards and other off-balance sheet transactions	55,304	-4,031	51,273	58,228	-5,185	53,043
On financial services						
Provision for fee and commission risks	3,120	-7,299	-4,179	14,040	-10,937	3,104
<b>TOTAL NET FEE AND COMMISSION INCOME</b>	<b>88,570</b>	<b>-32,499</b>	<b>56,071</b>	<b>99,858</b>	<b>-35,872</b>	<b>63,987</b>

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

(in thousands of euros)	31/12/2021	31/12/2020
Net gains (losses) on trading securities	4,683	3,750
Net gains (losses) on currency transactions and similar financial instruments		
Net gains (losses) on other financial futures	37,866	26,992
<b>NET GAINS (LOSSES) ON TRADING BOOK</b>	<b>42,549</b>	<b>30,742</b>

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

(in thousands of euros)	31/12/2021	31/12/2020
Short-term investment securities		
Impairment losses	-106	-24
Reversal of impairment losses	-388	3,064
Net impairment losses	-494	3,039
Gains on disposals	19	
Losses on disposals		-2,737
Net gains (losses) on disposals	19	-2,737
<b>Net gains (losses) on short-term investment securities</b>	<b>-475</b>	<b>302</b>
Medium-term portfolio securities		
Impairment losses		
Reversal of impairment losses		
Net impairment losses		
Gains on disposals		
Losses on disposals		
Net gains (losses) on disposals		
<b>Net gains (losses) on medium-term portfolio securities</b>		
<b>NET GAINS (LOSSES) ON SHORT-TERM INVESTMENT PORTFOLIOS AND SIMILAR</b>	<b>-475</b>	<b>302</b>

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## NOTE 33 OTHER BANKING INCOME AND EXPENSES

(in thousands of euros)	31/12/2021	31/12/2020
Miscellaneous income		
Share of joint ventures		
Rebilling and transfer of expenses		
Provision reversals		
<b>Other banking income</b>		
Other expenses		
Share of joint ventures		
Rebilling and transfer of expenses	-747	-938
Provisions		
<b>Other banking operating expenses</b>	<b>-747</b>	<b>-938</b>
<b>OTHER INCOME AND EXPENSES FROM BANKING OPERATIONS</b>	<b>-747</b>	<b>-938</b>

## NOTE 34 GENERAL OPERATING EXPENSES

(in thousands of euros)	31/12/2021	31/12/2020
<b>Personnel expenses</b>		
Wages and salaries	-853	-741
Social security contributions	-337	-302
Incentive and profit-sharing plans	-112	-64
Payroll-related tax	-108	-95
<b>Total personnel expenses</b>	<b>-1,410</b>	<b>-1,202</b>
Rebilling and transfers of personnel expenses		
<b>Net personnel expenses</b>	<b>-1,410</b>	<b>-1,202</b>
<b>Administrative expenses</b>		
Taxes other than on income or payroll-related (1)	-3,280	-3,394
External services and other administrative expenses	-4,130	-5,411
<b>Total administrative expenses</b>	<b>-7,410</b>	<b>-8,806</b>
Rebilling and transfers of administrative expenses		
<b>Net administrative expenses</b>	<b>-7,410</b>	<b>-8,806</b>
<b>GENERAL OPERATING EXPENSES</b>	<b>-8,819</b>	<b>-10,008</b>

(1) including €2,065K for the resolution fund.

## NOTE 34.1 HEADCOUNT

(average number of employees)	31/12/2021	31/12/2020
Executives	9	8
Non-executives		
<b>TOTAL</b>	<b>9</b>	<b>8</b>
<i>Of which: France</i>	9	8
<i>Foreign</i>		
<i>Of which: seconded employees</i>		

## NOTE 35 COST OF RISK

(in thousands of euros)	31/12/2021	31/12/2020
<b>Allocations to provisions and impairment</b>		<b>-3,842</b>
Impairment of doubtful loans and receivables		
Other allocations to provisions and impairment		-3,842
<b>Reversals of provisions and impairment</b>	<b>7,686</b>	<b>4,509</b>
Reversals of impairment of doubtful loans and receivables		
Other reversals of provisions and impairment	7,686	4,509
<b>Change in provisions and impairment</b>	<b>7,686</b>	<b>667</b>
Losses on non-impaired uncollectable receivables		
Losses on impaired uncollectable receivables	-2,218	-1,018
Discounts on restructured loans		
Recoveries on impaired receivables		
Other losses		
Other income		
<b>COST OF RISK</b>	<b>5,468</b>	<b>-351</b>

## NOTE 36 NET INCOME ON FIXED ASSETS

None

## **NOTE 37 CORPORATE INCOME TAX**

(in thousands of euros)

Breakdown of corporate income tax	Earnings before taxes	Tax due	Net income after tax
Net recurring income	146,944	25,042	121,902
Regulated provisions			
Employee profit-sharing	38	-2	40
Net income	146,983	25,040	121,942
Tax credits			
Tax assets			
Allocation			
Corporation taxes	146,983	25,040	121,942

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

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

None

## **NOTE 39 APPROPRIATION OF INCOME**

Distributable income totalled €448,161,298.39, including the profit for financial year 2021 for €121,942,802.77 and retained earnings for €326,218,495.62.

For the 2021 financial year, a distribution of €121,926,616.90, representing a unit dividend of €46.10, is proposed.

Retained earnings will therefore total €326,234,681.49 after appropriation of income.

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

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

## **MISCELLANEOUS COMPENSATION**

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

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

## Amundi Finance

Annual General Meeting held to approve the financial statements for the year ended December 31, 2021

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

**PricewaterhouseCoopers Audit**

63, rue de Villiers  
92208 Neuilly-sur-Seine cedex  
S.A.S. au capital de € 2 510 460  
672 006 583 R.C.S. Nanterre

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

**ERNST & YOUNG et Autres**

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

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

## Amundi Finance

Annual General Meeting held to approve the financial statements for the year ended December 31, 2021.

### Statutory auditors' report on related party agreements

To the Annual General Meeting of Amundi Finance,

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

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

We are also required, where applicable, to inform you in accordance with Article R.225-31 of the French Commercial Code (*Code de commerce*) of the continuation of the implementation, during the year ended December 31, 2021, of the agreements previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

### Agreements submitted for approval to the Annual General Meeting

We hereby inform you that we have not been notified of any agreements authorized during the year ended December 31, 2021 to be submitted to the Annual General Meeting for approval in accordance with Article L.225-38 of the French Commercial Code (*Code de commerce*).

### Agreements previously approved by the Annual General Meeting

We hereby inform you that we have not been notified of any agreements previously approved by the Annual General Meeting, whose implementation continued during the year ended December 31, 2021.

Neuilly-Sur-Seine and Paris-La Défense, April 11, 2022

The Statutory Auditors  
*French original signed by*

PricewaterhouseCoopers Audit

Ernst & Young & Autres

Laurent Tavernier

Claire Rochas

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# 03

## Declaration by the Chief Executive Officer

**AMUNDI FINANCE**  
**“Société Anonyme” (Public Limited Company)**  
**with share capital of € 40,320,157**  
**Registered office: 91-93, boulevard Pasteur, 75015 Paris**  
**421 304 601 RCS PARIS**

**Declaration by the Chief Executive Officer**

I declare that, to my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and provide a true and fair view of the financial position and results of the Company, and that the management report provides a true and fair view of the business trends, results and financial position of the Company, as well as a description of the main risks and uncertainties that it faces.

Paris, on 8<sup>th</sup> April 2022

Olivier GUILBAULT  
Chief Executive Officer

## LEGAL MENTIONS

### AMUNDI FINANCE

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

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

Head office: 91-93 boulevard Pasteur, 75015 Paris Cedex 15 - France

Siren no. 421 304 601 RCS Paris

APE code: 6419Z

VAT identification no. FR32 421 304 601