



**Amundi**  
**Results for 9 months**  
**and Q3 2017**

Friday, 27 October 2017

List of MAIN speakers	Company	Job title
Nicolas Calcoen	Amundi	Chief Financial Officer

List of Conference Call participants	Company	Job title
Mike Werner	UBS	
Jacques-Henri Gaulard	Kepler Cheuvreux	Head of Banks Sector Research
Chris Turner	Berenberg	Senior Equity Analyst
Arnaud Giblat		
Pierre Chédeville	CM-CIC	Financial Analysts - Sell Side Equity
Hubert Lam	Bank of America	Equity Research Analyst
Haley Tam	Citi	Equity Research
Alex Koagne	Natixis	Head of Banks Sector Research
Adam Terelak	Mediobanca	Banks Analyst

## PRESENTATION

### Nicolas Calcoen

*Chief Financial Officer*

Thank you, very much and good morning, everybody, for the presentation of these results of Amundi at end September. So, of course, the main element to be pointed out is the fact that this third quarter of 2017 is the first quarter integrating Pioneer, which, acquisition has been finalised on the 3rd July 2017. I will say, in a nutshell, the main element is that we start to see the consequences of this integration in our results, which benefit from a very sharp increase in our results, due to the integration of Pioneer, but also due to the good business momentum, which is illustrated by the good level of inflows on a combined basis, €57.5 billion of inflows since the beginning of the year, and €31 billion on inflows for the third quarter of 2017. I will start to give a little bit more colour about the level of activities of the inflows, and then comment a bit more on the financial result.

Starting with the activity, on page six of the slide deck. Seven, to be more precise. The main element to be pointed out in terms of context, is that we continue to benefit from a very favourable market environment. This is, in particular, illustrated by the level of the equity market, which, after a sharp rise at the beginning of the year continued to grow moderately on the third quarter, but if you look at the picture of 2017 compared to the first nine months of 2016, you can see that the impact of the market environment is very favourable.

It is, for example, illustrated by the CAC 40, which, on average, has increased by 17% compared to the first nine months of 2016. On the fixed income side, no sharp movement, after a slight increase in the interest rates at spring, they basically came back to the level they were at, at the beginning of the year. In this favourable context, Amundi continued to pursue a very good level of activity.

Page eight, in terms of asset under management, the assets we manage reached, at end September €1.4 trillion, benefitting first from the acquisition of Pioneer, which added €240 billion to our initial AuM, but also benefitted from a good level of inflows, €31 billion on the third quarter, as well as this favourable market environment: €5 billion positive impact of the market effect. This broad picture

being given, I will now try to illustrate these numbers, business by business, based on data, the combined data.

So, I'm starting with page nine and the following one. Just to mention that the numbers we provide here are combined data, combining the inflows of Amundi and Pioneer, from the beginning of the year, as well as for comparison purposes, for the first nine months of 2016, so that you can see the underlying trends in terms of activities and inflows. So, page nine, the first element to be mentioned is that this good level of activity is driven by two business lines. Both client segments.

The retail segment and the institutional segment. €35 billion of inflows on retail, and €22 billion for the institutional clients.

Going a little bit more in detail, starting page ten, with the retail, what we can say in a nutshell is that the level of activities of net inflows is very good, €35 billion on a nine-month basis. It is driven by all our distribution channels. First element, regarding the French networks of Crédit Agricole and Société Générale, the trends that we started to see at the end of 2016 are continuing. Overall, we posted, for the first nine months, €3 billion positive inflows. That's €3.6 billion if we exclude the treasury products. Our international networks, especially the networks in Italy, are also very dynamic, and even more dynamic. €7.8 billion from the beginning of the year for the total, for all our networks, partner networks outside France, with a specifically significant contribution from the Italian network, €6.4 billion, coming both from UniCredit, €4.1 billion and the Crédit Agricole network in Italy. The third-party distributors also continue to persevere with strong inflows. A bit more than €12 billion from the beginning of the year. €4 billion for the third quarter. Coming from all our areas of development, Europe of course, to a large extent, but also Asia, including Japan or the US. Finally, our joint venture in Asia continues, as well, to post significant inflows, €12 billion, driven mainly by India and China.

If we move now to the institutional business line, page eleven, a good level of inflows, €22 billion, as I mentioned, all year. Despite the fact that, at the beginning of the year, the ECB decided to reinternalize the mandates that we used to manage for it, close to €7 billion. We managed to put a good level of inflow, despite the end of this mandate that I already mentioned earlier. These flows were driven in France by institutional clients as well as by corporate and, to some extent, the insurers, and was primarily driven by treasury products, which explains a very good level of inflows on treasury funds that we posted, both for the nine months and for the quarter.

Turning now to page twelve, to the activity seen on the side of expertise, asset classes. Several elements, first all our main expertise asset classes posted positive inflows, with quite a balanced level of activity between treasury products, very strong inflows close to €32 billion, and medium, long-term assets, €25 billion net flows. If you exclude the end of the ECB mandates, €32 billion of inflows, same level as on the treasury products. All the asset classes contributed positively. Equities, multi-assets, bonds, real estate for example. We can also mention that we posted a very good level of activity regarding ETF, €10 billion of inflows since the beginning of the year.

Page thirteen, again, on this analysis by asset classes, we have tried here to illustrate the volatility from quarter to another quarter, regarding the treasury product, as we have already mentioned. Treasury inflows can be quite volatile from time to time. We have very strong positive inflows on the first quarter, some mild flows on the second quarter, but we commented at that time, that we should expect a recovery. It is clearly the case on the third quarter, with a bit more than €16 billion inflows. Regarding medium to long-term assets, the trend, I would say, is more stable, and you can see the very good level of inflows since the beginning of the year, and especially on the third quarter.

The third quarter is close to €15 billion positive inflows on medium to long-term assets. Mostly due to the strong momentum on the retail side.

Regarding activity, by geography, I am on page fourteen. What is illustrated here is the balance of inflows between France and the rest of the world, with both of them representing half of the inflows from the beginning of the year. Regarding France, a significant part coming from institutional and corporate clients investing in treasury products, but also from the retail networks and third-party distributors. Outside funds, an activity which is quite balanced between our different areas of development, with, again, a very good level of activity in Europe, outside France. €12 billion, half in Italy, half in the rest of Europe. A good level of activity in Asia, €15 billion with a significant contribution from the JVs but also from other areas of development, and some inflows coming from the rest of the world, including the US. You can see, on the right part of this page, that our activity by geography is quite balanced. France represents, today, 60% of our assets under management, with a very significant weight of the insurance mandate. If you exclude the insurance mandate, it's 45% in France, 55%, 54% to be precise, outside France, and within the activity outside France, quite balanced between Italy, the rest of Europe, Asia, and the rest of the world, the rest of the world being mainly the Americas.

So, I think it gives you a good idea of the level of activities, and where these inflows are coming from. I will now move to the financial results, page sixteen, and maybe before commenting on the results, maybe, a point I would say, of methodology, since, as you know, Pioneer has been acquired on the 3<sup>rd</sup> of July, so, it's consolidated in our result for the first time in the third quarter of 2016. So, our accounts at the end of September 2016, take into account, in effect, nine months of the results of Amundi, or ex-Amundi entities, and only three months of Pioneer. In addition, this income statement also includes, in 2017, the integration costs that we started to book, to prepare the integration of Pioneer, which has now started on the third quarter and also includes the amortisation of distribution contracts. In 2016, you have only the amortisation of the existing contract with Société Générale and Bawag. Starting on the third quarter of 2017, you have also the amortisation of the distribution agreement with UniCredit networks. When we made the acquisition, part of the price we paid is attributed to need to develop assets, which are the contracts that we signed with UniCredit network for ten years.

This contract has been valued at €550 million, and they have amortised on ten years. It means that they are creating an accounting charge of around €55 million per year before tax, and after tax, €40 million euros. In order to, of course, continue with that, but also to understand the underlying economic explanations behind this result, we have presented to you a first set of results, which are page sixteen and seventeen of the document, which are the accounting results. Also, isolating the impact of the amortisation of the distribution contracts and integration cost, we are also producing, on page eighteen of the document, combined results that integrate for the first nine months of 2017, the addition of Amundi results and Pioneer results for the full period, and the same for the third quarter. I'm sorry to have been a bit long, but I think this explanation was necessary. If I come back to the document, so, page sixteen first, we can see that our results increased sharply and the first and the main element is the effect of Pioneer integration, but also on business momentum. The accounting result for the first nine months of 2017 increased by close to 14% compared to the same period of 2016. If you exclude the impact on the integration cost, and of the amortisation of distribution contract, results increased by 25%.

If you look just at the third quarter, the increase of the accounting result is 34%, if you exclude the impact of the amortisation of the contract and the integration cost. It's an increase by 55% compared to the third quarter of 2016, which didn't integrate Pioneer results. These elements are

illustrated in a bit more detail on page seventeen, but I won't go into more detail, because I think they are quite self-explanatory, and the main element is the impact of Pioneer.

As I said, we also are providing you with combined data, page eighteen, the objective being to be able to appraise the performance of the group on a comparable basis, excluding the effect of the integration of Pioneer. What this data, these results show, is a significant increase, or result increase by 11%, both if you look at them on a nine-months basis, or for the third quarter, increasing 11%, which is explained by solid gains in revenues and an improved cost/income ratio. For the first nine months of 2017, net revenue increased by 6% in line with the growth for assets under management. The operating expenses are well under control, increasing only by 1.8%. As a consequence, the gross operating income and the net income, before amortisation of distribution contract, and before integration cost, increased by 11%.

You can also notice the fact that the contribution of Joint Ventures, which is booked under net income of equity-accounted entities, is increasing by 18%, showing that progressively, the development of activities in Joint Ventures has consequences on our net results. On the third-quarter basis, same trends, more or less, net revenues that are increasing, operating expenses that are under control, giving way to an increase by 8% of the gross operating income. Cost income ratio, which is decreasing by 1.6%, and a net result that increased by 11%.

Maybe before concluding, one word about where we stand with the integration of Pioneer. I am on page twenty. Just to confirm that the new organisation is fully in place, since acquisition was made. The integration plan is launched now and is underway. All the plans to achieve the synergies in the various business lines are starting to be deployed. In some countries, synergy needs imply that a staff departure plan has to be put in place, in compliance, of course, with local regulation, and local and market practice. These plans are being finalised.

The first IT migration is now planned for November, so next month, and they will continue, country by country, until mid-2019. The first legal mergers of entities should take place by the end of 2017. A plan which is being implemented as scheduled, and as a consequence, both the level of synergies and the phasing that we already indicated can be confirmed. So, to conclude, page 22, we can say, very, very simply that our business momentum is still high, despite the fact that we are preparing the integration, I would say, effects continue, and it's true for all of our business lines, whether you look at it for client segments, for expertise, for regions. Our results are up very significantly, thanks to, first element of course, the Pioneer integration, but also thanks to this continued business momentum, as well as to a favourable market environment, it has to be remembered. The third element, our integration plan is well underway as scheduled, and with a calendar that is, so far, respected.

**M1:** Okay, now we can switch to Q&A.

## QUESTIONS AND ANSWERS

**Nicolas Calcoen**

*Chief Financial Officer*

**M2:** Thank you. If you would like to ask a question at this time, please press the star or asterisk key, followed by the digit '1' on your telephone. Please ensure the mute function on your telephone is switched off, to allow your signal to reach our equipment. If you find your question has already been

answered, you may remove yourself from the queue by pressing \*2. Once again, that's \*1 to ask a question. We will take an opening question from Mike Wynar (ph 22.23) of UBS. Please go ahead, your line is open.

**Mike Werner:** Thank you. Two questions from me. First, on research payments. Amundi has indicated that it will continue to use client money for research payments. I just wanted to confirm that was still the current view, and then secondly on that, do you have an idea, as you start setting up the research payment accounts, to be Mifid compliant, what the aggregate budget will be for that research in 2018? Then, second question, now that you've consolidated with Pioneer, I was just wondering if you can give me the excess capital position at the end of Q3, and/or the capital ratio for the combined entity? Thank you.

**Nicolas Calcoen:** Okay, thank you. The first question on the research payment, what we said is that this question is currently under review. It's currently under review, taking into consideration Pioneer. So, we haven't said yet what we will do, so we are not in a position to discuss any budget implication. Regarding the capital position, following the integration of Pioneer, there is no excess capital. I think we were clear about that. We used to have an excess capital that was used in conjunction with the capital increase that we did in April, and to a lesser extent, to the additions that we did also, to find out the capital, to find out the integration, the excess capital has been used, and there is no more, for the moment, excess capital. In terms of capital ratio, what I can say is that, since we are under banking regulation, our core equity tier one is above 10% as we indicated when we announced the acquisition, as well as the Q2 results.

**Mike Werner:** Thank you.

**M2:** We will take our next question from Jacques-Henri Gaulard of Kepler Cheuvreux. Please go ahead, your line is open.

**Jacques-Henri Gaulard:** Yes, good morning everybody. Let's try two questions. The first one is on the amortisation of intangibles. I think it's quite clear what you said, Nicolas, and also in the appendix, that you have €39 million per year for the UniCredit contracts. I was more curious for the €11 million per year on SG and BAWAG, how long should I amortise that for? That's the first question, and the second one would be, the presentation was great in financial terms, but it did give us little colour on, you know, what you've been achieving, I would say, commercially, maybe, over the first three months. Maybe, if you can give us a little bit of colour on that, of how the teams are working together, and what you're trying to implement or optimise. That would be very helpful. Thank you.

**Nicolas Calcoen:** Okay. So, on the intangibles regarding Société Générale and BAWAG, amortisation is up to the end of the contract we had with them. So, with Société Générale it's until the end of 2020, because they were renewed for five years at the time of the IPO, and for BAWAG, they were for ten years, I think starting at the beginning of 2015, so it should be until 2025, if I'm correct. On your second question, on the activity in the third quarter?

**Jacques-Henri Gaulard:** Yes, it's more colour about team working together, you know, any things you've realised you were doing better than before.

**Nicolas Calcoen:** Yes, clearly, and that's why we took some time. When we take advantage of the six months of the year before being able to finalise the acquisition, to prepare the integration, putting, I would say, the teams together, so that they work on a business plan, a set of actions, plans and priorities. That's what they did, and I would say, they started to deliver. One important illustration I think is the fact that, for example, with UniCredit network in Italy, a significant part of the inflows we

see are on some Amundi products. It also starts to be the case with the other networks in Germany for example, but it is also the case for other segments and products. Maybe for the third quarter not yet very significant realisation, but I would say good prospects in terms of, for example, providing the US expertise of Pioneer towards Amundi client base in Asia or in the Middle East. Or, to provide Amundi's expertise, for example, in treasury products, in passive management, to the existing Pioneer client base, with our networks, or third-party in Europe, in Germany, in Italy, for example.

**Jacques-Henri Gaulard:** Okay, thank you.

**M2:** We will take our next question from Chris Turner of Berenberg. Please go ahead, your line is open.

**Chris Turner:** Thank you and good morning. It's Chris Turner from Berenberg. Two questions, actually, if I may. Firstly, you had quite good flows in Italy, I think almost €2.5 billion in Q3. Can you give us a feel for how that splits between the legacy Credit Agricole business? I think you mentioned that had seen some good flows, but also the legacy Pioneer business. Also, the sort of benefit you're getting from plugging in Amundi to UniCredit. If you could give us a feel for how it splits across those three lines, that would be very useful. Then, secondly, only this week the French parliament approved quite a significant reduction in the taxation of investments for individuals. How do you think that will affect your retail demand in France, and then secondly, do you think there'll be a change in demand between life assurance and mutual funds, given that maybe some of the tax advantages of life assurance are lower than they were? Thank you.

**Nicolas Calcoen:** For Italy, the contribution is mainly from the networks, but it's both UniCredit and Cariparma. The network of UniCredit is bigger than the one of Credit Agricole Italy, so it has a stronger contribution for the nine months, we have a bit more than €4.4bn I think, in UniCredit, and €2 billion in the Credit Agricole network, and the trend is similar on the third quarter. On your second question on the tax reform and investment products, I would say, in France, yes, it is an important reform which, I mean, in a nutshell, will overall reduce the level of taxation on investment products for individuals in France, and will also reduce, I would say, the relative advantage of life insurance compared to, let's say, direct investment in mutual funds, for example, outside the tax of life insurance.

The consequences, I would say, can only be positive for business, because it will be more interesting, relatively, compared to the past, more interesting to get revenues from investment and financial products, and the relative tax advantage of life insurance, including your contract, will be less than it used to be. So, it should be positive. To what extent? That's the tricky part. I mean, it's very difficult to try to estimate what could be the impact on the behaviour of the consumers. It will necessarily take time. The relatively high-risk aversions of French individuals will not change over time, but what I can say is, it can be only positive for business.

**Chris Turner:** Thank you, and can I just check I've understood what you said correctly? The legacy Pioneer business, broadly flat flows in Q3, would that be right?

**Nicolas Calcoen:** What do you call the legacy Pioneer business? I'm not sure.

**Chris Turner:** Okay, we'll maybe take this conversation offline. Thank you very much.

**Nicolas Calcoen:** You're welcome. The only thing maybe I can mention that you already mentioned of the first half of the year is that Pioneer, I think it was in the first quarter, lost a mandate with Banca Poste. I think it was €1.4 billion with low margin, but it's, kind of, a one-off. We don't see any issue, any other redemptions in the Pioneer business in Italy.

**Chris Turner:** Thank you.

**M2:** We will take our next question from Arnaud Giblat of Exane. Please go ahead, your line is open.

**Arnaud Giblat:** Yes, good morning, thank you. I've got three questions. Firstly, on retail margins, clearly, it's not exactly this close, but I estimate that in H1 numbers, your retail margins were around 47 basis points, and that dropped to around 43 basis points in Q3. I'm wondering if it's, kind of, a similar effect that we've seen in previous quarters, that you might have had a lower degree of maturity in structured products, that might have caused them to fall. What I'm trying to understand is, what is the through-the-cycle margin of your retail back book? Secondly, is there any change of pricing on the front book? Have you changed any retrocession rates, perhaps, to UniCredit as a consequence of the deal? My second question is regarding the cost synergy. So, your cost to income ratio in Q3 is 53.5%. If I put the run rate synergies into your number, I get to a cost income of 48%. Is that the kind of cost income ratio you are targeting by 2019, 2020?

What other factors should I think about, cost in terms of investments and operating leverage? Any guidance there would be much appreciated. My third question is regarding method. What we observed with the UK retail distribution review in 2012, when there was a ban in retrocessions, was a big shift over the years to more flows towards passive. So, roughly 12% of flows were going to passive in 2012. That went to 40% in 2016. Could you perhaps share a few thoughts as to how you're preparing for a potential similar shift in Europe, and how you're positioning your ETF products to try and benefit from a potential shift there? Thank you.

**Nicolas Calcoen:** Okay. So, on margins, we state what we already said, that too much attention shouldn't be paid just on quarterly margins. What we want to look at are trends, and there is no particular source of worry in terms of trends. In the margins, we continue to say that overall margins should continue to be more or less stable, benefitting from the improved mix, specifically on the mix, but with continued negative trends on individual margins. In terms of pricing, no, there haven't been any changes in pricing. There haven't been any changes in the retrocessions, whether to UniCredit or to other clients, and the distribution agreement we signed with UniCredit provides for the stabilisation of the retrocessions for the whole period of the agreement.

Regarding cost synergy on the cost income ratio, it's a bit early for us to-, and we will do it, probably at the beginning of next year, to provide more complete guidance for the years to come. What I can say is that let's not jump too quickly on a conclusion based, again, just on one quarter, taking also into account the fact that the cost income ratio we post here is due to the fact that costs are under control, but also, revenues are increasing on top of it, due to positive market effect.

Maybe also, one position, the cost income ratio we mentioned, it is excluding the amortisation of distribution contract, so, the table we provide when we give the comparison for 2016 is on a fully-comparable basis, but it's not exactly comparable to what we, for example, published in the last years. Finally, again, the question of retrocessions, let's bear in mind that, when the distributor will not qualify itself as an independent distributor, it will continue to work on a rebate basis, on a retrocession basis. So, the vast majority of our retail business will continue to be based on rebates. For the rest, yes, there will be some distributors that will go for the, say, independent direction, and work, not on the rebate. It may contribute to the development of passive management, probably not to the same extent as what we used to see, what we are seeing in the US and what we used to see in the UK. On the fact that the ETFs are growing fast, we believe it will continue, and that's a reason why we want to be present on that business, quite successively, if we look at the inflows we posted from the beginning of the year.

**Arnaud Giblat:** Okay, thank you.

**M2:** As a reminder, if you would like to ask an audio question, please press \*1 on your telephone keypad. Our next question comes from Pierre Chédeville of CM-CIC. Please go ahead, your line is open.

**Pierre Chédeville:** Yes, good morning. I would like to come back to slide twelve. Regarding treasury products, we can see that they represent roughly one third in 2016, and more than half in 2017. I wanted to ask you if this lever, which is quite strong in treasury products, is sustainable, or do you think you have any marginal impact this year? In my view this significant increase in product treasury in your inflows may weigh strongly on your margins. That's my first question, and my second question is related to the sur-performance fees at Pioneer. If I compare, combined and not combined P&L, I can see, or deduct that there is no sur-performance fee in Q3 from Pioneer, and very few last year also. Do you have any comments regarding Pioneer's sur-performance fees, in light of this? Thank you.

**Nicolas Calcoen:** Thank you. On inflows on treasury products, yes, at the very high level on the first nine months of the year. This is explained by the fact-, I mean, we can come back to that, the fact that these products, we believe, are attractive for all the investors with corporates that are looking to put their available cash on a short to medium-term horizon. Why they are attractive, is that level sustainable? Well, I can say it's a very high level, and we are not counting on having such a level of inflows regularly in the future. I think there is a dimension of-, I don't want to use the word 'exceptional', because there's no particular point which is exceptional, but we would welcome it if it was really the case, but it would continue to have such a level of inflows. What we try to illustrate, page thirteen, looking at it quarter by quarter is that, I mean, by nature, treasury flows are quite volatile. So, we have a very good level of inflows on the first and the third quarter, lower on Q2. I don't know what the future will be, but I think the level we had on the third quarter is not what we would expect as a recurring one.

Regarding performances at Pioneer, they do have performance fees, but to a lesser extent than we have at Amundi. I think what you can see from the number is that they booked €5 million or €6 million on the first half of 2017. If you look at the past, I think, on average, they book something like €15 million a year, but, of course, by nature it's quite volatile in terms of level of activity, but the bottom line is, there are performance fees at Pioneer, but not to the same extent as we used to have at Amundi.

**Pierre Chédeville:** Okay, thank you.

**M2:** Our next question comes from Hubert Lam, of Bank of America. Please go ahead. Your line is open.

**Hubert Lam:** Hi, good morning. I've got three questions. The first question is on the cost income. The cost income in the quarter was very good. I'm just wondering if that's been helped at all by synergies coming from the costs from Pioneer, or is that mainly just due to very good cost control in the standalone businesses? So, I was just wondering if cost synergies have actually started yet in Q3. The second question, sorry, is again on revenue margins. Just wondering if there have been any unusual changes in gross margin in the quarter? Sorry to ask the same question, but I was just wondering if structured product effects, have there been any in the quarter, that they have depressed the margin? The last question is around financial revenues. I assume that the net financial revenue has fallen in the quarter, just because you've deployed your excess capital already to finance the acquisition of Pioneer. I'm just wondering how we should think about that line in Q3 as going forward. Thank you.

**Nicolas Calcoen:** The first question on cost income ratio helped by synergies. On the third quarter, I would say just a little bit, because, as I said, we are starting to implement the plan, so we started to see, in some areas, some people leaving, but the impact is limited, since we just started to see people leaving the company following the synergy, so, limited impact yet. On the margins, there are no specifically unusual elements on the third quarter, but what I can confirm is that we used to have, actually, a high level of guaranteed revenues coming from the structured products in 2015 and '16, and it's not anymore the case now. We can consider that what we see today is, I would say, corresponding to a normalised level.

Regarding financial revenues, yes, we booked a significant amount of financial revenues on the first half, due to the fact that we still had, at that time, the excess capital that was invested in funds, and to the fact that we, progressively, on the first half, exited from this investment, in order to be able to finance the acquisition, and that generated the realisation of capital gains on these exiting investments. On the third quarter, now the financial revenues are very limited.

**Hubert Lam:** Thank you.

**M2:** We will take our next question from Haley Tam of Citi. Please go ahead, your line is open.

**Haley Tam:** Morning, gentlemen. Just one question left, I think, since you had so many asked already. A quick question on the capital structure. Obviously, you took on €600 million of debt to fund the Pioneer acquisition, alongside using your free capital. How should we think about your capital structure going forward? Is there a target maximum leverage ratio that you would look to go to, or are you trying to get back to a net cash position? Any guidance you can give would be much appreciated. Thank you.

**Nicolas Calcoen:** Going forward, we don't intend to issue any additional debt, and the debt was issued as part of the financing of the acquisition. Going forward, there's no reason to use additional debt, unless a new significant event occurs. The main element, I think, going forward, is that we will rebuild progressively, reinforce our capital position through the non-distributed part of our net results going forward.

**Haley Tam:** Thank you.

**M2:** As a final reminder, if you would like to ask a question, please press \*1 on your telephone keypad. Our next question comes from Alex Koagne of Natixis. Please go ahead, your line is open.

**Alex Koagne:** Yes, hi Nicolas. One request, and one question from my side. The request is on the revenue line. I don't know if, going forward, you can just give the full breakdown of the revenues, including management fees and financial fees, so that we can have a better view on how this evolved going forward. On the question side, just one very quick question. I know that you're now involved in the integration of Pioneer, but I also read that you were interested in AXA IM. I'm not sure that you were really keen to do the deal, but more for information, but the question is, if we think about your business, and how you're doing in the next 24 months, going for an acquisition like AXA IM in terms of size. Is that something you may consider? I'm not saying that you're going to do that, but I'm most thinking about the size of the deal. Is that something that you could consider going forward? Thank you.

**Nicolas Calcoen:** So, regarding the request, we do, and we will provide more details on revenues, but not on a quarterly basis. We have been very clear about the fact that we think that you should look at the trends, not purely on quarterly data, but more on annual, or semi-annual data, so, I think for quarterly results, we will stick to what we are doing. Again, not too much attention to be paid

just on quarterly results. Regarding acquisition, our comment will be that we don't comment on any specifics, but what I can say is that we didn't look at AXA IM. I don't know where it comes from, but we didn't.

**Alex Koagne:** Okay, thank you very much.

**Nicolas Calcoen:** You're welcome.

**M2:** As we appear to have no further questions in the queue, I would like to-, apologies, we do have another question from Adam Terelak of Mediobanca. Please go ahead, your line is open.

**Adam Terelak:** Hi. I was wondering if I could get any detail on the revenue line coming out of Pioneer. Previous disclosures, and UniCredit disclosures, kind of, push towards a couple of hundred million per quarter, but I'm struggling to get that backed out of this quarter's disclosures. If there's anything you can give us on that, that would be very helpful. Thank you.

**Nicolas Calcoen:** I'm not sure how to get the answer in terms of revenues, it's quite simple, and there is a little bit of performance fees I have already discussed. Most of the revenues coming from Pioneer, as I would say, are plain, simple management fees on front and mandate, but I'm not sure if it was exactly your question, sorry.

**Adam Terelak:** Well, the run rate, heading into the quarter, would've been around €200 million. Clearly, we've had questions across the board about revenue margins, so we're all trying to dig into where, potentially, some of the missed revenues have gone, and whether that €200 million per quarter figure still holds.

**Nicolas Calcoen:** I am not sure I understand the question. If the question is to give a breakdown of the results of the quarter between what was supposed to be Amundi and Pioneer, it's not possible. We are already an integrated company. Regarding past results, I mean, to get a good idea of what Pioneer was, I think we provided, at the beginning of the year, the data of Pioneer, and in terms of revenues for the full year 2016, it was more than €840 million of revenue for 2016.

**Adam Terelak:** Okay, thank you.

**Nicolas Calcoen:** You're welcome.

**M2:** As we now appear to have no further questions in the queue, I would like to turn the call back to the speakers for any additional or closing remarks.

**M1:** Okay, thank you to everybody, and see you, and we will publish the full year earnings at the beginning of February. We'll provide more details in due time. Bye-bye.

**Nicolas Calcoen:** Thank you very much.