

Transcript - Amundi 9M & Q3 2025 results

Cyril Meilland, Head of Investor Relations

Good morning, I'm Cyril Meilland, the Head of Investor Relations of Amundi and it's a gorgeous day today. First, it's my birthday, but I won't tell you how much of a senile old timer I am. More importantly, we're here to present the 9 months and Q3 results for Amundi. I'm here with Nicolas Calcoen, Deputy CEO, and Aurélia Lecourtier, our CFO, who will go through, as usual, the presentation of about 20, 25 minutes and then open for Q&A. As usual, this is a video conference, so please, whenever you ask a question, raise your hand. Whenever you want to ask a question, raise your hand virtually and open your camera so that we can have a live dialogue as much as possible. Sorry, but before we get started, we need to go through a short disclaimer first.

Throughout the presentation we will make a number of forward-looking statements and mention forecasts. We call your attention to the fact that Amundi's actual results may differ from these statements. Some of the factors that may cause the results to differ materially are listed on our universal registration document. Amundi assumes no duty and does not undertake to update any forward-looking statements.

Now I leave the floor to Nicolas.

Nicolas Calcoen, Deputy CEO

Thank you, Cyril, and happy birthday, and good morning to all of you, and thank you for your participation in this conference to present our third quarter results. As usual, I will start this presentation with the main highlights, and then I will hand over to Aurélia, who will comment on the financial part more thoroughly before we answer your questions. First of all, I would like to highlight a few key points of this result. I will start with strong inflows since the beginning of the year and in the third quarter. Over the first nine months, we have gathered €67 billion in net new money to manage, of which more than €15 billion in the third quarter. This comes mainly from medium to long term assets, which are positive in both active and passive, and from retail as well as institutional investors and our Asian joint ventures.

As of end of September, Amundi's assets under management reached a new all-time high of close to €2.32 trillion. They rose by close to 4% since the beginning of this year. Despite the headwinds from a weaker U.S. dollar and Indian rupee. The financial performance resulting from this business activity is healthy. Our pre-tax income rose by 4% year on year to €445 million in the third quarter. This growth originates from business-related revenues, namely management fees and technology. Our costs remain under control. Furthermore, Q3 was the first quarter where the contribution from Victory Capital started reflecting the synergies from the deal. Finally, we saw further success in our strategic pillars.

In the first nine months of 2025, all three main growth engines gathered more than €20 billion in net new assets.

Third party distribution first collected €21 billion, mainly in medium to long term assets. Inflows were driven by ETF and positive in active management, with a high level of activity in most countries and regions. Our partnership with Standard Chartered, for example, amplified its success and exceeded €3 billion in assets

under management. The strong commercial momentum with digital platform is accelerating, and a new long term partnership has been signed with the South African digital platform Satrrix, resulting in strong inflows, €1 billion on the quarter.

In Asia, inflows over nine months reached €29 billion, of which €19 billion from the joint ventures and €10 billion from direct distribution. All countries in Asia contributed to these inflows, which are also well diversified by strategies across active management and passive management as well as Treasury products.

ETFs collected €28 billion over nine months to total assets that exceed now €300 billion for the first time. Amundi confirmed its second place in the European ETF market in terms of assets under management as well as inflows. In the third quarter, two flagship products tracking major indices gathered the largest inflows respectively in European and in U.S. equities. First, the core stocks Europe 600 ETF reached €14 billion in assets under management, making it the largest ETF in European equities. And the core S&P 500 swap collected over €2 billion. Furthermore, we continue to innovate and new products were launched such as the S&P 400 U.S. Mid Cap ETF or the Euro High Yield ETF. Finally, Amundi Technology continued to record strong revenue growth at €81 million, approximately the same level as for the full year 2024. It was generated by half, it's an increase by half compared to the same period of 2024 thanks to strong organic growth and the integration of Aixigo.

Beyond strategic priorities, Amundi is achieving commercial success in its core business. Today we would like, this quarter, to put the spotlight on a business where Amundi is an undisputed number one, the management of employee savings schemes. Our dedicated business line Employee and Retirement Savings saw record inflows over nine months with nearly €4 billion since the beginning of the year. Today it manages €101 billion in assets with a market share in France of 45%. It services more than 121,000 corporate clients, multinationals and medium sized companies directly but also small companies via the networks of Credit Agricole and other partners. This business is in fact at Amundi the only business where we have direct access to the end client. Our service to the 4 million employee clients is comprehensive, from client servicing via telephone, Mailbot, digital tools including a transactional website on a Smartphone app to a Robo Advisor on GlidePath. We offer the full range of investment capabilities from employee share ownership to funds and individual pension schemes. This retirement product in particular has developed in partnership with Credit Agricole Assurance. As you can see, all these initiatives are creating a lot of value for our clients and position us well in the retirement business in France. I thank you for your attention and now leave the floor to Aurélia, for the details of our financial results.

Aurélia Lecourtier, CFO

Thank you Nicolas and good morning everyone. I will now comment as usual on our activity and financial results, starting with our AUM. They reached €2.32 trillion at the end of September, which is again a new record for Amundi. They were up over nine months thanks to healthy net flows at €67 billion over the period, a positive market effect of more than €100 billion, but that was partially offset by a negative currency effect of €87 billion due to the depreciation of USD and Indian Rupee. Year to date, indeed, both currencies are sharply down versus the euro, -11% for the USD and -15% for the Indian Rupee. As a result of these various trends, our AUM increased by +3.5% since the beginning of the year and by more than +2% in this third quarter.

Moving now to our net inflows, Amundi's net inflows amounted to +€67 billion over the first nine months, with MLT net inflows totaling +€57 billion and a strong contribution from passive management and ETF at +€28 billion as commented by Nicolas. This business line passed the €300 billion milestone at the end of September, which is a very positive achievement. Flows were also driven by active management at €8 billion driven by bonds and by our JVs that collected €18 billion and I will come back to it in more details.

Turning now to our business in the third quarter, the net inflows totaled €15bn, of which €9 billion in MLT, and at the end of the quarter, one of our institutional clients decided to re-internalize the management of a €9 billion bond mandate, so restated from this exit net inflows to MLT assets would have been at €18 billion, balanced between €10 billion in passive and €8 billion in active.

As in the previous quarter, our investment management teams delivered sustained performances in Q3. Close to three quarters of our open-ended funds were in the first and second quartile, slightly up from the previous quarter. 242 Amundi funds are rated four or five stars by Morningstar and 82% of our AUM outperformed their benchmark over five years. Let me add a bit of color to this performance because this quarter our fixed income flagship have done pretty good, such as Global aggregate, Corporate and European aggregate, and Investment grade credit strategies. They rank among the top of their peers.

Our multi-asset strategies also posted very robust performances, as our emerging market strategies that performed well across both equity and fixed income. Beyond these highlights, the main message from this slide, as you can see, remains sustained consistency at a high level of investment performance.

Looking now at our client segment and starting with retail, retail flows were positive at €15 billion over the nine months. They remain driven by third-party distributor, which posted healthy inflows of €21 billion year to date, of which €18 billion in ETF and positive flows in active and treasury products. Flows were also very diversified by regions, with a high level of activity in Europe, namely in Germany, UK, Netherlands, but also Spain and Italy. Asia continued its momentum with €4 billion of net inflows, and we gathered strong flows from high potential regions like the Middle East.

We also signed, as Nicolas mentioned, a new long-term partnership in South Africa with the digital wealth platform Satrix, resulting in a flow of €1 billion ETF. In China, our joint venture with Bank of China also enjoyed a strong commercial momentum with €1.6 billion gathered year to date. If we turn now to our international partner networks, the outflows totaled €4 billion in the last quarter and €10 billion over the first nine months. As you know, UniCredit is by far the largest of these networks, and the outflows originate from this group. As you know as well, UniCredit wants to develop their internal multi-manager platform, which explains the outflows. As many of you have asked, let me give you a few details about what UniCredit represents. At the end of September, UniCredit networks represented a total of €88 billion in assets under management for Amundi, which is approximately 4% of our total AUM. These AUM are mostly, as you know, invested in active management, so you should assume that their revenue margin is above our average retail margin and around 40 bps.

Finally, to end on the retail segment, partner networks in France are showing positive net inflows, particularly in the third quarter with a €2.6 billion inflow.

If we now move to the institutional segment, net inflows were €35 billion year to date with a sharp contrast between strong inflows into MLT that gathered €46 billion and outflows from Treasury products. As Nicolas

Calcoen already mentioned, employee saving and retirement expertise posted very strong inflows of €4 billion over the period. In the third quarter, if we restate from the exit of the €9 billion bond mandate I already mentioned, the MLT assets gathered €11 billion with a positive contribution from all segments. It is worth noting as well that our mandate with Credit Agricole and Société Générale insurers have collected strong inflows since the beginning of the year, including €4 billion in the third quarter thanks to renewed interest in euro contracts.

Finally, our Asian joint ventures posted net inflows of €18 billion over the first nine months with good performances in all countries. South Korea posted €7 billion, mostly in MLT assets, and China continued its recovery at €3 billion, excluding the discontinued “Channel business”.

Coming to our Indian JV, inflows, we had healthy inflows into saving plans that continued. However, the JV faced the impact of a lower currency, high market volatility, and uncertain monetary policy, which all triggered a wait and see attitude from clients. Despite these headwinds, the JV gathered €9 billion year to date and €2 billion for Q3. As we have already highlighted many times on these calls, the expected partial exit from a big mandate with the Indian pension fund EPFO will now move forward. The outflow, as we already said, is likely to be between €30 billion and €40 billion and is expected to take place in Q4 but with no material impact on our net income.

Finally, the U.S. distribution of Victory Capital posted small outflows around \$600 million for our share of 26%. But this is more than offset by the net inflows coming from the sales of Victory Strategies to non-U.S. clients, which are booked in our retail and institutional segments.

Turning now to our results, let me remind you of the pro forma restatements we have implemented since the closure of Victory in Q2. To make comparison easier with 2025, as you know, we have restated the 2024 period. So Amundi U.S. is not included in the revenues and costs of the 2024 periods and its contribution is equity accounted, as for the contribution of Victory. With that in mind, let's move now to our Q3 results on the next slide.

Starting with the revenues. Our total revenues in the third quarter amounted to €815 million, up by 5% thanks to healthy growth in business-related revenues. Net management fees were up 3% compared to the same quarter last year thanks to a strong asset gathering in the past 12 months and despite the drop in the U.S. dollar. Our technology revenues were also up by 49% at €29 million thanks to both healthy organic growth and thanks to the contribution from aixigo. Performance fees were also up year on year thanks to the good performances I detailed earlier. Finally, our financial income is in line with the decrease in euro short-term rates.

If we turn now to the cost, as you know, every year Amundi offers to its employees the possibility to invest in new shares issued at a discount. We call this operation WeShare, and this discount results in a charge in our P&L of €17 million that will be accounted in Q3. Last year this charge was booked in Q4, and therefore the charge we booked in Q3 this year is distorting the comparison with Q3 2024. Restating for this impact, our cost would have been up by 4%, reflecting the integration of aixigo and our investment to nurture our future growth. It also reflects our best-in-class cost efficiency with an adjusted cost/income ratio at 53.5%.

This quarter we also implemented our optimisation plan that resulted in, first, the merger of Amundi affiliates CPR and BFT in France, which is effective since October 1, and second, the reorganisation of our

multi-asset teams across all Europe, which is underway. The restructuring cost of this plan is booked in this Q3 for an amount of €80 million, and they are excluded from our adjusted P&L. Therefore, they do not contribute to the cost evolution of the quarter. As a reminder, the aim of the plan is to generate €40 million in savings from 2026 to be reinvested in our growth business.

Finally, our adjusted profit before tax was up 4%, as you can see on the slide, at €450 million.

Let me take you through the key drivers of this growth. First, the contribution of our Asian joint ventures was up 3%, with China and Korea posting very strong growth in their contribution. The contribution from SBIMF, that suffered headwinds from the drop of the Indian rupee, remains still healthy with management fees growing more than 20% year on year, In the joint venture, in local currency.

The equity-accounted contribution from our U.S. operation was at €33 million over the quarter. As a result, as you know, of the lag by one quarter in the recognition of Victory Capital's results, Q3 contribution includes the first synergies from the partnership, and this contribution also benefited from the adjustment of €4 million between the estimate used in Q2 and the publication of Victory Capital's Q2 results.

All in all, the adjusted net income of Amundi was at €340 million, including the tax surcharge over the quarter of €9 million.

Let's have now a final look on our financial performance year to date. First, our adjusted revenues reached €2.5 billion. They were up 5% and driven by net management fees up 4% and technology revenues at €81 million, an increase of almost a half.

Performance fees were also up 7% year on year.

Second, this revenue growth, as you can see, was complemented by our operational efficiency with an adjusted cost/income ratio at 52.8% over the period. Expenses were up 5% if we restate from the employee scheme charge, as I explained earlier, and they are in line with the gross revenue. Third, the contribution from our Asian joint ventures was almost €100 million, up 6%, and the contribution from Victory Capital up by 8%. All this translates into the growth of 4% of our adjusted pre-tax income that reaches €1.34 billion. Excluding the tax surcharge in France, that totals €63 million for the nine months, our adjusted net income would have been over €1 billion, up 4% versus 2024.

I will now hand back to Nicolas for concluding remarks before we take your questions. I thank you very much for your attention.

Nicolas Calcoen, Deputy CEO

Thank you, Aurélia. To conclude, as you can see from our business and financial results, Amundi continues to accelerate alongside its strategic pillars. 80% of the net inflows over the first nine months of this year, meaning €55 billion out of the total of €67 billion, comes from these strategic pillars: Third Party Distribution, Asia, or ETF. Net inflows from these strategic pillars already exceed the full year 2024 total net inflows.

We are now reaching the end of our Ambition 2025 Medium Term Plan, and we can confidently look forward to the presentation of our next plan. In this perspective, let me complement what Aurélia told you about our distribution agreement with UniCredit. As you know, this agreement comes for renewal in July 2027, and we do not know whether it will be renewed or under what conditions.

We are, of course, fully committed to continue serving UniCredit clients with the highest standards, and we stand ready to remain a partner for UniCredit and to create value for all parties beyond 2027. Our new strategic plan for 2028 will include a financial trajectory that will reflect this uncertainty regarding the contribution from UniCredit from 2027 onwards, as well as, of course, Amundi's healthy growth in all its strategic pillars.

We look forward to our Capital Markets Day on November 18th to present all the ambitious growth initiatives that will underpin our future growth.

We are now with Aurélia, at your disposal to answer your questions. Thank you.

Cyril Meilland, Head of Investor Relations

Thank you, Nicolas. Thank you, Aurélia. We are now moving to the Q&A session, as Nicolas said. We will start with a question from Hubert from Bank of America.

Hubert Lam, BoFA

Hi, thanks for taking my questions. I've got three of them.

Firstly, on UniCredit, you talk about accounting for the UniCredit uncertainty in your strategic plan. Just wondering what are the different ways you can reflect this in the plan? Given the uncertainty and the exposure that you, the significant exposure that you have in it and the potential impact that it can bring if the contract wasn't renewed. That's the first question.

Second question is on taxes. There's now likely going to be further tax surcharge in France in 2026. Any guidance you can have for us for this for next year?

Lastly, on the French networks, it's good to see the medium long term assets turning positive this quarter. Do you see this as a turning point? Also, can you please give us the breakdown of the medium long term assets in this? Is it coming from structured products or passives or anything else? Thank you.

Nicolas Calcoen, Deputy CEO

Thank you. I will answer your first question and maybe let Aurelia answer the two other ones.

Your first question was about UniCredit and how to take into account it in our medium term plan. As we explained, there's a lot of uncertainty around the future of this relationship, even if we hope and we are convinced that we can continue to bring value to UniCredit. The way we would look at it, really it's an uncertainty because we know that in Italy asset turnover can be very high, as is illustrated by the rapid deployment of one market. We do estimate that in an unfavorable scenario, the largest part of our assets could exit within two years. But as we said, we don't know if the partnership will be renewed or under what conditions. So what we will do is to commit to targets that will be achieved whatever UniCredit's decision is about the future of this partnership.

Aurélia Lecourtier, CFO

Coming now to your question on the surcharge. As a reminder, we foresee an impact this year of the surcharge of about €72 million. As noticed indeed in the budget proposal for 2026, actually, the French

government proposed to renew partially this surcharge, but I would say no guidance at the moment as it is far too early to draw a conclusion as the budget is still under discussion.

Coming to the French network and your question, actually genuine inflows from our French network in the quarter were €2.6 billion overall, of which €1.8 billion coming from money markets and €0.6 billion in MLT driven by passive, active, and also positive in real asset. Basically, it is a good and positive development, but maybe a bit too early to call for the end of risk aversion in our French networks.

Hubert Lam, BoFA

Great, thank you.

Cyril Meilland, Head of Investor Relations

Thank you, Hubert. The next question comes from Arnaud from BNP Paribas.

Arnaud Gibat, BNPP Exane

Hi, hopefully you can hear me. I'm just wondering, since we're talking about the networks, could we see to the Société Générale Networks? I think they're up for renewal pretty soon. Is there anything you can update us there?

My second question is on ELTIFs. This has been live. There's been some traction in the market. I'm just wondering what that looks like for you in terms of AUM and flows.

Thirdly, you talked at the beginning of your presentation about having a B2B2C connection to 4 million end clients. I'm just wondering if there isn't an opportunity for you to be upselling those clients. I mean, a lot of DC pension funds in the UK, for example, do reach out to clients and actually consolidate various pension funds or other products they may have. I'm just wondering if there's not a longer term opportunity for you to leverage the access you have to those 4 million clients. Thank you.

Nicolas Calcoen, Deputy CEO

Thank you. I will take your questions. First question was on Société Générale. Indeed, a long-standing partnership for Amundi, a partnership that dates from 15 years now, renewed several times. The existing agreement is coming to maturity in a few weeks. It's too early to talk about the future, but what I can say is that we are confident that we will continue to work with Société Générale in the future.

Your second question was about ELTIF, if I got it right. Indeed, it's an interesting development, an opportunity to create new funds to give access to wealth Retail client, I would say wealthy clients to private markets. We have launched several of ELTIFs during the course of the year. To be honest, I don't remember exactly where we stand in terms of inflows, but it's the beginning. It's, I would say, a starting point, and we expect to see progressively more inflows going to this kind of product. We think this regulatory evolution is something positive for retail clients, first of all, and for ourselves.

Your third question was back to employee and savings scheme and retirement scheme in France, where we do have really a B2B2C relationship. We have a direct access to the clients. Indeed, this particularity in our business is really a big opportunity, first of all to, I would say, to learn how to talk directly to the end client more and more and to also experiment and promote offers to our clients. That's something we are doing. Of

course, as the end client are the employee of the companies in which they work, we are bound by the contract that we have with the employers. Within the limit of this employer, it's indeed a good way to experiment and promote new approaches, to give advice and to promote new solutions.

Cyril Meilland, Head of Investor Relations

Thank you. The next question will come from Sharath from Deutsche Bank.

Sharath Kumar, Deutsche Bank

Thanks Cyril for taking my questions. I have three.

Firstly on India, the inflows seems to have dropped about 50% if I compare it on a year to date basis. Can you tell me the drivers and how does this compare with peers? I know there are a lot of new entrants in the India mutual market space. Can you comment if you're losing market share and, sticking with India, can you tell us any reasons that you are aware of for the SBI management not being very keen to reconsider listing plans? That's the first one on India.

Second is on alternatives. Other than real assets, I don't necessarily see alternatives being a key focus area for you. Can we expect this to continue and how do you view the recent surge in partnerships between traditional and alternative asset managers and your willingness to follow a similar path?

Lastly, a follow up on the UniCredit relationship. Thanks for sharing more details on the AUM. Can you give us an indication of the bottom line contribution? Did I hear correctly when you said the revenue margin is around 40 basis points?

Thank you.

Nicolas Calcoen, Deputy CEO

I propose Aurélia, you answer on the Indian questions, and I will follow up with the other ones.

Aurélia Lecourtier, CFO

Yes. As mentioned in my speech, thank you for the question. We see that the Indian market is facing, I would say, many evolutions. I mentioned the currency impact. I mentioned also a bit of volatility in the market and elements also under monetary policy, which led to, I would say, a kind of risk aversion from the clients in the Indian market. Nevertheless, first, as you asked, our market share is stable and above 15% over the nine months. Second, we nevertheless also gathered genuine inflows, almost INR 9 billion since the beginning of the year. When we look at, I would say, the joint venture activity and financial results, we can still see very dynamic growth of the net management fees of the joint venture are more than 20% in local currency, obviously. All in all, we keep very confident in this major growth driver for Amundi in the coming months and quarters.

Nicolas Calcoen, Deputy CEO

As far as your questions (...) there was a question on EPFO, I think.

Aurélia Lecourtier, CFO

Yes, EPFO. Yes. As mentioned, we think that the outflows may happen in Q4. As you know, there has been a first RFP launched in the beginning of the year that was unsuccessful. The Indian Authority relaunched another RFP that seems to be that time successful. So as we said the rotation and reallocation from two to three or four asset managers on this huge mandate of more than €100 billion will take place in Q4 with two consequences. First, outflows as I mentioned for SBI FM, something about €30 to €40 billion, but very limited and insignificant impact on obviously net management fees for SBIFM and as a result on the result of the joint venture in our P&L.

Nicolas Calcoen, Deputy CEO

Regarding your next question, which was about alternatives, I would say that private assets are a priority in terms of development for Amundi. That's why we, for example, made the acquisition of Alpha Associates one year ago, and we count on this new acquisition to allow us to develop in this field. That shows that over the recent years, inflows have been limited because historically the largest part of business was in real estate. As you know, real estate has been suffering a lot over the recent period. On other private assets, we are developing and we can continue to develop and, for example, as mentioned earlier, to take advantage of the new regulatory opportunities and the appetite and the interest from retail clients to allocate part of their savings, at least in long-term savings, in real assets.

Your last question was about the contribution to UniCredit in our P&L. I would say you have the assets under management, €88 billion at the end of September. You have the margins, so you can calculate the revenues. As far as the bottom line, the only thing I can say is that, as you know, Amundi is a global company. It's a very integrated model, and therefore costs are managed globally. There's no direct or very limited costs that are directly allocated to UniCredit. What we do is to manage cost globally, trying to adjust to the evolution of our revenues at the same time to continue to invest in our future growth drivers.

Cyril Meilland, Head of Investor Relations

Thank you. The next question will come from the line of Angeliki from J.P. Morgan.

Angeliki Bairaktari, JP Morgan

Hi, good morning and thank you for taking my questions. Just three from my end as well, please.

First of all, with regards to the €40 million of cost savings that you have given us as an indication on the back of these actions that you have taken and you have booked some restructuring costs this quarter, starting from next year, in which areas are you looking to reinvest this €40 million of cost savings next year? More concretely, and could that be related to your answer that you gave before with regards to the UniCredit distribution agreement? I mean, if we take the worst case scenario of losing this partnership, what is the leeway that you have to potentially reduce costs elsewhere in order to maintain the cost/income ratio below 53%?

Second question, with regards to management fees, I noticed that the management fee margin actually improved a little bit quarter on quarter, at least on my numbers. What is the outlook for the management fee margin as you see it, taking into account the asset mix for Q4 and potentially also for next year? Are you seeing some competition perhaps also within the same asset classes with the introduction of new products that you're launching, or is that really not the case?

Third question, I was just wondering if you can provide an update with regards to any potential special distribution of excess capital. Is that now more likely to happen next year as we get closer to year end and we don't have any further M&A announcements coming from you? Thank you very much.

Nicolas Calcoen, Deputy CEO

Thank you. Thank you. Angeliki, I will take your first and last question and maybe let Aurélia answer on the management fees and the margins.

First of all, on the cost saving, the question was about where do we invest? Basically, it's in all our strategic priorities on areas, of course, whether you're talking about technology development in Asia, ETF, but of course we are meeting you in a few weeks to talk about our next strategic plan and it will be a good opportunity to develop a little bit further or future areas of growth. As far as again UniCredit and the adjustment of cost, I can repeat what I say. We have an integrated model so we manage cost globally and not directly, and again the costs that are associated specifically to one client are limited. We look at it and look at cost management very globally to ensure that we adjust costs when we see revenues moving and we preserve our capacity to invest in our growth drivers.

Maybe before leaving the floor to Aurélia on management fees regarding distribution, we are not yet at the end of our 2022-2025 plan. We can discuss a little bit more our intention in a few weeks during our medium term plan. Keeping in mind that first of all our priorities in terms of capital allocation remain, if we find a value creating opportunity to do M&A, otherwise to return the excess capital to our shareholders.

Aurélia Lecourtier, CFO

Yes, coming to your question on management fees, they were quite dynamic since the beginning of the year at 4% increase compared to last year. When we come to our margins, as you know, we don't steer properly our margin and we are quite product agnostic. What we can say and what we've tried to enlighten in our Q2 financial communication is that we observe that there's obviously a rising pressure in the whole industry on margin due to, I would say, client demands towards passive fixed income. Also, as far as we are concerned, this year, very good success in the institutional space leading to, I would say, low margin mandates. In addition to that, as you know, we recorded an idiosyncratic effect due to the deconsolidation of Amundi US. What we can say about our margin is that what we disclosed at the end of H1, which was more or less something like 16 bps, is a good starting point for obviously the 9 months and onwards. Obviously, this is a starting point that we reassess in respect to the flows and to what we collect, we will collect over the next quarter.

Cyril Meilland, Head of Investor Relations

Thank you. Next question from Mike. Mike Werner from UBS.

We can't hear you, Mike. I don't know whether it's good now. No, still not. Sorry.

Mike Werner, UBS

Any luck? Sorry.

Cyril Meilland, Head of Investor Relations

Yes, that's better. That's better.

Mike Werner, UBS

Excellent. Sorry about that. Thank you. Still learning the Zoom thing.

On UniCredit, could you provide a little bit of disclosure as to how the AUMs are broken down by country between Italy, Germany, and Austria through the UniCredit channels?

Second, apologies if you already covered this, but in terms of the financial and other income, we saw a bit of a decline in Q3. I was just wondering if you could provide a little bit of color there. Apologies if I missed that in the presentation.

In terms of the excess capital, can you just update us on where that excess capital position is today? Thank you.

Nicolas Calcoen, Deputy CEO

I'll take the question on UniCredit and maybe let the question on financial income and excess cap. I'll let Aurélia answer.

On UniCredit, as we said at end of September, we have €88 billion of assets managed for UniCredit networks in Europe, out of which the vast majority in Italy, a bit less than €70 billion, I think it's €69 billion in Italy, around €10 billion in Germany, around €6 billion in Austria, and the rest in Central Europe.

Mike Werner, UBS

Thank you.

Aurélia Lecourtier, CFO

Coming to financial income, the decrease is totally in line with the decrease of the short-term interest rates. As you know, this is the main driver in terms of sensitivity for our financial income. And the excess capital. Sorry, what was exactly the question?

Cyril Meilland, Head of Investor Relations

The end of September?

Aurélia Lecourtier, CFO

The excess capital at the end of September is very close to the one we disclosed in H1, which was €1.3 billion. There's a slight impact, not very significant, due to technical reasons. You should keep in mind €1.3 billion.

Mike Werner, UBS

Thank you.

Cyril Meilland, Head of Investor Relations

Thank you. Next question from Nicholas Herman from Citi. Nick?

Nicholas Herman, Citi

Equity Analyst

Yes, thank you for taking my questions. Hopefully you can hear me okay.

Super. Just a follow up on your guidance around UniCredit, could you help the market broadly understand what proportion of any potential revenue loss you believe you could offset via cost takeout? Within that, what areas might that come from and what gives you the confidence that you could execute on that within a year and a half? That's the first one.

The second one is a follow up to Angeliki's question. We're not too far now from your 2026 AGM. Do you see increasing visibility on your M&A pipeline, which I know you've talked about in the past, is pretty comprehensive and robust?

The final question is we've seen net inflows for the first time in a couple of years now in real and alternative assets. Just wondering whether you're seeing sentiment turning at all, even at the margin. That'd be helpful, thank you.

Nicolas Calcoen, Deputy CEO

On Unicredit, and sorry if I repeat myself, as I said, as we are a global company, very integrated with the same IT system, same operations, investment capabilities that are largely shared the cost that are specifically, I would say, dedicated to one or other clients are quite limited. When we steer and look at costs, we look at it globally, looking at the evolution of our business or need to invest globally.

Regarding M&A visibility. You won't be surprised. No, nothing I can share. We are definitely continuing to look at opportunities and of course we inform you if any materialize in due course.

As far as your last question regarding real and alternative assets, what we are seeing is that outflows coming from real estate, which remain a very important part of our business, are slowing compared to one or two years ago and we have positive inflows in private market in particular, we should have mentioned it, we launched a new direct private equity offering called the "Mega Tendances" during the third quarter and we are also seeing progressively even if they are limited, seeing inflows in our multi, I would say, multi private asset offers in the ELTIF format we mentioned earlier in particular funds that are called Prima.

Cyril Meilland, Head of Investor Relations

Thank you. Next question from Jacques Henri, from Kepler Cheuvreux,

Jacques Henri Gaulard, Kepler Cheuvreux

Good morning and happy birthday Cyril.

Sorry, call me unintelligent. I'm going to have to ask the question a fourth time, Nicolas, and I really, really apologize for that. I'm going to rephrase it.

On the back of what you said about costs not being allocated into one client. Does it mean that the cost/income ratio on UniCredit as it is, is materially lower than your current group cost/income ratio? If this is the case, and if indeed the impact on the EPS from the deal being adjourned or cancelled is important, would you consider an enormous buyback to actually offset the loss in EPS? Thank you.

Nicolas Calcoen, Deputy CEO

What I'm saying is that for Unicredit as for many clients the marginal cost/income is of course lower than our average cost/income ratio. Nothing more, nothing less. I think it's quite clear.

Regarding your second question again, we have an appointment, I would say, in three weeks now to discuss our medium-term plans, and I think we can discuss more thoroughly our trajectory and what we will do at that time.

Cyril Meilland, Head of Investor Relations

Okay, thank you. Jacques-Henri. Next question is a follow up from Sharath from Deutsche Bank.

Sharath Kumar, Deutsche Bank

Thank you. Sorry for following up. I asked this initially, but this was not answered. Can you tell us the reasons that you are aware of, if any, for SBI FM management for not reconsidering their listing plans in India? Also, I ask this in the context of the India IPO market being very odd, being very conducive.

Nicolas Calcoen, Deputy CEO

Okay, I think we missed the question which was regarding a potential IPO of SBI FM. The only thing I can say is that listing its subsidiary is for SBI part of its plans. It's not new, but no decision has been taken yet.

Cyril Meilland, Head of Investor Relations

Okay, next question is from Pierre Chedeville. Pierre ?

Pierre Chedeville, CIC

Yes, good morning. First question is regarding your French networks. I would like to know what was the performance of structured products this quarter, and how do you see the evolution of these products? That used to work very well, but it seems a little bit more difficult nowadays on these products, which remuneration is high. How do you see things evolving in the future.

Regarding the integration of Axa IM with BNP? I would like to know how do you see the game changer, this game change I would say in France and also in Europe in terms of pressure on inflows, but also on margins or things like that. Where do you think this new competitor may be the most, I would say, dangerous for you, for what types of products, or if you think that you will continue as usual because this merger is not a game changer for you.

My last question is on UniCredit. I would be disappointed not to ask a question on UniCredit. Just to be clear, because you said that you will give a financial target, whatever the result of the negotiation, that you be off or you stay. Do we have to understand that you will give conservative targets as if you were off this deal? Because I don't understand, you are in or you're out. You can be both. You see what I mean? It's not very clear for me. So can we understand that you will give conservative targets, and in case you stay on board with UniCredit, then we will have good surprise.

Nicolas Calcoen, Deputy CEO

Thank you for your question. First one on French networks and structured products. Structured products, whether in other form of notes and funds, we believe are something attractive and interesting for clients. They do suffer in the current, they do suffer again, I would say, from the competition from the traditional Life Euro contract life insurance, which is gaining momentum, and you can see it on the inflows we get from the mandates we manage both for Credit Agricole Assurance and Sogecap. I think the flows were slightly negative due to the increased competition.

Regarding your question on AXA and BNP, to be clear, I don't want to comment on operations that are taking place with competitors, but it's not a game changer for us. They were competitors. The combined entity will be a competitor, but no game changer as we see it.

Regarding your last question on UniCredit, what I can say is that there is uncertainty. You are asking if we'll be in or out. We could be out, we could be in, we could be in in various ways. We don't know. That's why we say to you what we can say, what we know. There are uncertainty and the targets we will provide, will take into account this uncertainty, and we will ensure that we provide targets that we can deliver whatever the outcome is.

Cyril Meilland, Head of Investor Relations

Okay, thank you, Pierre. Next question from Mike it's a follow-up again, Mike Werner from UBS.

Mike Werner, UBS

Thank you very much. Just a quick one please. In your worst case scenario, as you mentioned with UniCredit, if the contract is not renegotiated, you mentioned that you expect to take about two years for those assets to roll off. Are you still required to pay those retrocession fees to UniCredit if you do not renew that contract? Thank you.

Nicolas Calcoen, Deputy CEO

Rebates are paid on the stock of AUM. Yes, we will continue to pay rebates on the AUM as long as there are AUMs.

Cyril Meilland, Head of Investor Relations

Okay. We have another follow-up from Angeliki, J.P. Morgan.

Angeliki Bairaktari, JP Morgan

Yes, thank you so much for taking my follow up.

Just firstly on UniCredit, can I please ask if you are currently sitting on the negotiating table with them or if it's too early to start discussing because, you know, are we in a stage where, you know, you're currently discussing various scenarios or are we in a stage where there is no communication and you will communicate with them closer to the termination of the contract, which I appreciate is not yet that close.

Second question, just a follow up on flows. Multi asset flows were positive this quarter after several quarters of outflows. I was just wondering which channels drove this. Is it retail, institutional, and which geographies perhaps? Thank you very much.

Nicolas Calcoen, Deputy CEO

In your first question, we obviously are partners of UniCredit, sorry, and we are constantly discussing with them on our partnerships. That said, the existing agreements are still alive for close to two years, from a bit more than one year and a half. We are very well in advance before that.

Regarding the multi asset flows, if you want to...

Aurélia Lecourtier, CFO

Yes Angeliki the flows were positive over the quarter, €2.6 billion. What we can say is that it's very diversified in terms of client segment and geographies, with small outflows coming from a bit everywhere.

Cyril Meilland, Head of Investor Relations

Okay. Do we have a follow-up from Pierre or have you kept your— No. Okay,

I think we are done with the Q&A session. Last chance to raise your hand if you have another one. No. I think I can hand over to Nicolas Calcoen and Aurélia Lecourtier for any concluding remark.

Nicolas Calcoen, Deputy CEO

Just to thank you again for your participation and to say that we are very much looking forward to meeting you in three weeks on November 18th for our ambitious new medium term plan. Thank you very much.

Aurélia Lecourtier, CFO

Thank you.