# Amundi Full Year and Q4 2022 Results

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| List of MAIN speakers | Company | Job title |
|---|---|---|
| Valerie Baudson | Amundi | CEO |
| Nicolas Calcoen | Amundi | Deputy CEO |
| Cyril Meilland | Amundi | Head of Investor Relations |

## Amundi Full Year and Q4 2022 results

**Cyril Meilland**
*Head of Investor Relations*

I'm Cyril Meilland, the new Head of Investor Relations at Amundi, succeeding Anthony Mellor. As you know, it's a return; I used to be in this position a while ago. So, it is my pleasure for the first time again to introduce you to the speakers today: Valérie Baudson, our CEO; and Nicolas Calcoen, our deputy CEO, who will run you through a presentation of our results. And then, we'll take questions both from the room as well as from the phone. So, I leave the floor to Valérie.

## Q4 2022 highlights

**Valérie Baudson**
*CEO*

Thank you, Cyril. Good morning to all, those with us in the room as well as those who are connected. I'm very pleased to be here with my colleagues to present our Q4 and 2022 year-end results. I shall go, as usual, through the highlights in the next ten minutes, and Nicolas will detail our results before we take, of course, your questions.

## 2022: A good year for Amundi in a difficult climate

I'm very proud to present the 2022 results, which was a good year for Amundi. I think we can all agree that it was not an easy year for investors and not an easy year for asset managers, but against this backdrop Amundi actually outperformed in bear markets; we adapted with agility, and we continued our development.

### 2022: positive inflows and €1.2bn net profit

First of all, Amundi reported positive inflows of €7 billion for the full year and a net profit of 1.2 billion. In particular, we had positive flows in the highest-margin segments and expertise such as retail, as you can see here, and in medium-long-term assets. The strength of our business model and our ability to generate this profitability allow us to propose a dividend to our annual general meeting of €4.10 per share. So, it's a dividend which is stable compared to last year.

**Negative 2022 environment**

In order to analyse the quality of these results, I wanted to remind you very briefly of the challenging environment we were, in 2022; I know you know it that by heart. The equity and bond markets were down in a very significant way; we actually had not seen such a bearish correlation for 30 years. Unsurprisingly, of course, the asset management industry experienced large outflows, and notably 130 billion outflows in medium-long-term assets, and once again we have to go back to 2008 to see such a configuration. So, in this environment, I think we managed to adapt with agility.

**Portfolios and product range adapted**

First of all, we had a very good performance. Our investment management teams were able to post strong performance. As you can see here, roughly three quarters of our open-ended funds are actually first or second quartiles, so it is a very good year, and it includes large flagship funds, especially in equities and emerging markets. Thanks to this, we actually saw good inflows in active equity and emerging this year. Just to give you an example, for instance, the CPR hydrogen fund has collected nearly 1 billion since November ‘21. However, the market and macro environment changed over the course of the year - we saw that - so we had to adapt our products and our offer to the situation, particularly for our retail clients. Of course, they want a yield, but they also wanted protection in such an environment. So, in the second-half of the year we were successful in launching Buy & Watch bond strategies, which were extremely interesting for our distributors, and we also launched structured products; you know that both fixed income and structured products are a strong strength of Amundi, and it allowed us to generate nice inflows with our partner networks.

**Strong cost-control**

Last but not least, and probably most importantly in such an environment, I think that the other major evidence of our agility was to manage costs. Operating expenses were down quarter after quarter throughout 2022. I think the slide speaks for itself.

**2025 Ambition Plan: Strengthen our leadership in asset management**
**Continued development initiatives**

So, in parallel of this agility and capacity to adapt ourselves to a very negative environment, we actually continued to commit to the development that we presented to you last June in the context of the 2025 ambition plan.

I would like to remind you of four strategic priorities that we presented to you in our medium-term plan for 2025. The first one was to strengthen our leadership in asset management, of course. The second one was to go on deploying responsible investment. The third one was to develop technology and services, and the fourth one was to go on creating value for shareholders through potential external acquisitions.

So, let’s start with the first one. Amundi clearly strengthened its leadership in asset management with strong inflows, especially in real assets, passive management, and Asia. In real assets, as you can see here, the activity was strong in real estate and private equity. Several initiatives were launched and private debt investment had a record year: globally, 4 billion inflows on the real asset side in 2022.

Passive management collected €14 billion. Of course, you know that our platform, following the integration of Lyxor, is fully operational now, and I will come back to that later. It is beginning to enjoy commercial synergies.

On the passive side, we also implemented our Irish ICAV platform, and this will enable us to develop in the future even more global and US expertise in the passive environment.

Last, but not least, Asia. As you can see here, our assets under management have reached €378 billion exactly. So, we are on the trajectory of our target of €500 billion by 2025. The inflows totalled €26 billion, excluding China, and these inflows were especially driven by India and the strong progress of our joint venture with SBI.

In China, last year, our activities saw a pause. Of course, it's in light of the local - we'll come back to this I'm sure - the local conditions, both economic and sanitary. However, I remain absolutely convinced that this market keeps its strong potential for strong growth over the long term, but this year was the year of India.

**2025 Ambition Plan: Lead the way in Responsible investment**
**First steps in implementing ESG Ambitions 2025**

So, the second strategic objective: responsible investment. It has seen another year of progress towards our 2025 ambitions as well. It collected €9billion in long term assets this year, with total assets at 800 billion at the year end. The adaptation of the range is continuing, with the launch of funds in active management in our net zero ambition range. We launched funds which are actually following the net zero objective in real estate, in developed market bonds, in developed market equities and in multi-assets.

One last point on the ESG, if you can go back, because it is important, we are also progressing on the ETF side. You may remember that we have a target to transform our ETF range to reach 40% of our ETF becoming ESG ETF by 2025, and we already reached 27% this year.

**2025 Ambition Plan: Technology & Services**
**Growth of Amundi Technology and new service solutions**

Third strategic objective: the growth in technology and services. Amundi technology first. You know the story. In 2022, our revenues increased by 35%. We expanded our portfolio of clients - 8 new clients - and we also expanded our range of products with the launch of ALTO Sustainability. That's a module some of you may have seen when we presented it, or part of it, during our medium-term plan presentation.

Now, going to Services, and  Fund Channel, this fund distribution platform – we already spoke about it as well. It continued its strong development: €62 billion additional this year in new assets under distribution, especially with a few new clients, and especially ABN Amro private banking, who joined the platform in 2022.

Last word on our sub-advisory platform as well, called Fund Channel Investment Partners, that we launched, you may remember that, in 2021. Now, it’s absolutely up-and-running. It offers a range of 13 third-party managed funds, and it recorded 1.3 billion inflows in 2022. So, that’s a nice take-off.

**2025 Ambition Plan: Value-creative M&A**
**Successful integration of Lyxor**

Now, the value-creative M&A. Of course, 2022 was the year of the integration of Lyxor. It was actually completed in less than nine months. It took us three months to integrate the teams, six months to merge legally, and nine months to realise the IT migration as well. So, that was really an efficient one, and it allowed us actually to achieve our synergies faster than we had expected. As you can see on this slide, one third of our cost synergies, around 20 million per year, and one quarter of revenue synergies were already delivered in 2022.

**Proposed dividend of €4.10 per share**

Now, as a conclusion, building on the good performance in 2022 that I've just presented to you and our solid financial position - Nicolas will come back to it – we decided to propose a dividend of €4.10 per share, as I was mentioning in the introduction, a dividend which is stable compared to last year. This corresponds to a dividend pay-out ratio of 75%, above the minimum target of 65% that we had announced to you in our 2025 Ambition Plan, considering that, of course, no new M&A transaction was made in 2022 because it was the year of the integration of Lyxor. This dividend shows a yield close to 7%, and I think it makes Amundi a nice income stock.

Thank you very much for your attention. I now leave the floor to Nicolas for more details.

**Assets under management: stable in Q4 and -7.7% vs. end-2021**

**Nicolas Calcoen**
*Deputy CEO*

Thank you, and good morning to all. Let me now turn to our business for the year, and for the fourth quarter in terms of AuM inflows, which as Valérie highlighted, were positive, which is a very good performance compared to our market, and given the environment. As Valérie explained, our activity outperformed this bear market. Our AUM were down by close to 8% over the year, but that's obviously less than the drawdown in equity and fixed income markets, and we gathered positive inflows in an asset management industry that experienced large outflows.

Of course, our AuM suffered from the negative market effect, which was €167 billion over the year, concentrated, of course, in the first part of the year. If you include the positive net inflows of 7 billion, our total assets under management reached €1,904 billion, slightly up compared to the figure at the end of September, thanks again to positive flows. In particular, in the fourth quarter, net inflows stood at €15 billion, a high level despite the persistent client risk aversion.

**Positive net inflows: +€15bn in Q4 2022 and +€7bn in 2022**

Let me run through this strong performance. As I said, over the full year, net inflows reached €7 billion, net inflows from the JV stood at €14 billion, in particular driven by India - I will come back to that - and they almost compensated the outflows we got in the treasury product - close to €15 billion - despite the reversal of the trend in Q4 - I will get back to it later.

Long-term assets, excluding JVs, gathered €8 billion, so positive long-term assets in a difficult market environment, and they even reached €17.5 billion, if you exclude Amundi BOC and the insurance mandates we manage. And these positive flows were driven by passive management - Valérie indicated the numbers - by real assets, and again if we exclude Amundi BOC and the insurance mandate, by active management.

If I now turn to the fourth quarter, net inflows totalled €15 billion, with a strong contribution from the treasury products, close to 21 billion, mainly with corporate clients that found a new appeal to this kind of product for the investment of their cash since the short term rates turned positive in the second half of the year in Europe. At the same time, the performance in medium-long-term assets was also good, slightly positive overall, but again largely positive if we exclude the €2.4 billion of outflows of Amundi BOC and the insurance mandate. And flows were driven by retail, in particular, but also by our institutional clients.

**Retail: solid business activity in the networks throughout the year and in Q4**

If we look deeper into the performance in retail business for 2022, net inflows reached almost €10 billion, heavily driven by long-term assets, which reached €8 billion. This came from French networks, international networks and third-party distributors. The French network gathered 1.4 billion in long-term assets, thanks to the launch of the new structured and Buy & Watch products Valérie mentioned in her presentation.

International networks, mainly Italy and Spain, also posted very strong inflows, €3.9 billion over the year, thanks again to similar kinds of products, and the third-party distributors enjoyed a very strong start of the year, €14 billion in the first half of the year, but then risk aversion and risk arbitrage in the second-half resulted in some outflows in medium-long term, although inflows remained in treasury products. For the full year, the contribution remained very positive with €6.5 billion for the full year in long-term assets.

And the last element, Amundi BOC – Valerie mentioned it – posted net outflows of €3.9 billion due to the maturities of funds launched in 2021. And you remember we had a very strong beginning of the activity in 2021, and the maturity of many of these funds came at a time when market conditions were very unfavourable in China, with a drop in Chinese markets, sanitary lockdowns and increasing risk aversion.

For Q4, net inflows in treasury products reached €3.5 billion, mainly coming from third-party distributors, as mentioned, but in the networks, long-term assets contribution was positive, both French and international, by €2.6 billion, if we combine all the international networks, excluding BOC.

## Institutional: Inflows +€20bn in Q4, driven by treasury products and MLT assets

Moving to the institutional segments, the outflows in treasury products explain most of the net outflows in the full year -€17 billion. In long-term assets, the flows were flat, but with a sharp contrast between outflows on the low-margin business with insurance mandate, which experienced withdrawal in their euro contract and therefore had to sell assets we manage for them. But on the contrary, in the rest of the segment, we enjoyed €5.7 billion of net flows in long-term assets during the year, thanks to the addition of several new mandates across all our expertise, in particular multi-assets and passive management. So, in fact, a strong performance in long-term assets in this segment, if we exclude insurance mandates.

In Q4, in particular, a major change compared to the full-year trends is the return of net inflows in treasury products, €17 billion during this quarter, thanks to the change in short-term rates to positive in the eurozone since July and the fact that these products became again very attractive for corporate clients in their cash management.

**JVs: positive business activity in India, outflows in China in an adverse economic environment**

Turning to joint ventures, net inflows increased year on year and reached 14 billion for the full year, thanks to the continued strong performance of our Indian JV, SBI FM, which kept its leadership in the market, even gaining again market share, reaching 17.7% at the end of the year, again close to 1% more compared to the previous year.

As expected, and as in the previous year, the Channel business in China, a low-margin product, in run-off, posted some €5.4 billion outflows in the full year, clearly again fully expected; this activity is in extinction.

Focusing on the fourth quarter, the same trends continue: positive flows in India, outflows, as expected, in the Channel business. However, some outflows also in the rest of the business due to institutional client segment in China and some treasury products in South Korea, but over the year, South Korea also posted positive inflows.

**Net revenues excluding financial income up Q4/Q3**

Turning now to results, and starting with the fourth quarter, what we can say is this quarter was a quarter where we were able to keep a very high level of profitability, thanks to both good revenue levels and sustained efficiency.

Let's start first with revenues. They were up by 3.5% quarter-on-quarter, reaching close to €800 million - €798 million, to be precise – excluding financial income.

Net management fees were slightly down during this quarter, partially due to non-recurring items in the third quarter, which we had mentioned when we published the results in November, but it was more than compensated by the very good level of performance fees, at €63 million, and this obviously reflects the good performance of our investment teams and their good run versus peers over one-year performance, and most importantly, this is through a wide range of expertise or asset classes.

Adding to this performance, Amundi Technology revenues grew over the quarter to reach €15 million, an increase by more than 20% compared to the previous quarter.

**Continued good cost control**

On the cost side, as already highlighted by Valérie, operating expenses were down quarter-after-quarter throughout 2022 and compared to last year, including Lyxor cost in 2021.

In the fourth quarter, they are down by 0.7% compared to Q3, a reflection of the fact that we continuously adjust our cost base to the new environment throughout the year, delivering cost efficiency gains while preserving our investment in growth drivers, and this was in addition supported by the delivery of cost synergies related to the successful integration of Lyxor ahead of schedule. As a consequence of this positive evolution of revenues and cost containment, cost income ratiostood at 52.1% in Q4, a significant improvement compared to the previous quarters.

**Net income €303m, up +7.5% vs. Q3 2022**

As a consequence, our net income during this quarter is up by 7.5% compared to the third quarter, and reaching €303 million. This sequential increase in the net income since Q2 is a reflection of the adaptation of Amundi to its environment, and this is of course fully reflected in the full-year performance I will now present.

**Net management fees maintained at a high level**

Starting with revenues, net management fees for the full year 2022 were stable year-on-year on a like-for-like basis at close to €3 billion. Thanks to the good business mix I already mentioned, the margins on management fees held up well and even slightly increased again on a like-for-like basis compared to 2021, including Lyxor. This positive uptick is entirely due to a positive business mix in 2022, with inflows mostly going to retail and long-term assets, and some outflows in the low-margin insurance mandates.

**High performance fees in a difficult market environment**

As regards performance fees, you of course remember that 2021 was an exceptional year, thanks to a very bull market that year, resulting in an exceptional level of performance fees of €427 million. As we said at that time, this level was exceptional and clearly needs to be rebased to a more normalised one, in effect amounting to close to €170 million if you take the average between 2017 and 2020. And compared to this normalised level, the amount of performance fees in 2022 - €171 million - is close to normal, which is a stronger performance considering the market environment. And this again reflects the quality of our investment management teams that we already mentioned.

**Excellent operational efficiency maintained**

On the cost side, operating expenses were down by 1% compared to last year, again on a like-for-like basis, meaning including Lyxor in 2021, and they reached close to €1.7 billion. As for the fourth quarter, this has come from the adaptation of our cost base throughout the year and the first delivery of cost savings relating to Lyxor - €20 million already impacting this year's account. This is more, in terms of timing, than we initially planned, meaning also that we are clearly on track to deliver the full €60 million of cost synergies expected in 2024. The continued productivity gain and Lyxor synergies allow us to more than offset the negative Forex impact on our cost base and to invest in growth drivers such as real assets, ESG, and Technology. This good cost control results in a cost income ratio of 53.3% for the full year, which is close to what it was last year, if you again take into account Lyxor and normalise for the exceptional level of performance fees. So, good performance considering the market environment.

### Net income of €1.2bn, in a volatile bear market environment

Thanks to this good overall performance, net income stood at close to €1.2 billion, virtually stable compared to 2021, if again you normalise for this exceptional level of performance fees, and even taking into account the Lyxor result in 2021.

### A very solid financial structure

Finally, and before we can leave time for questions, a word about our financial structure, which obviously remains very solid with a tangible equity reaching €3.9 billion at the end of 2022, and a core equity tier one ratio of 19.1%, an increase by 3 percentage points compared to the end of 2021. So, clearly again, very well above our regulatory requirements, which is one of the reasons this very solid performance allows us to propose, as Valerie indicated, a stable dividend compared to 2021.

### Conclusion

To conclude before leaving time for questions, clearly the main takeaway for this year is that we enjoy positive inflows and remain highly profitable in a difficult environment, thanks to our agility, the quality of our investment teams, our cost efficiency. Second element: the integration of Lyxor went very well, completed in less than nine months, with a platform which is now fully operational and cost synergies and revenue synergies delivered ahead of schedule. Third element: growth drivers, as announced during our Investor Day, that are fully delivering, as expected, whether you're talking about real assets, passive management, Technology and Service. And last but not least, high profitability and financial strength that allow us to propose this stable dividend compared to 2021.

Thank you very much.

**QUESTIONS AND ANSWERS/QUESTIONS ET REPONSES**

**Cyril Meilland (Amundi):**
We'll now take the first questions from the room. There’s quite a lot of raise hands, so let's start with Nicholas.

**Nicholas Herman (Citi):**
Thank you for the presentation. This is Nicholas Herman from Citi. Three, if I may: two on capital, and one on the wealth management JV.

On capital, firstly, on your dividend, I guess the market had been concerned about where the dividend might fall this year with earnings, but you’ve kept it stable. Should we be thinking about your dividend going forward as being pay-out based and progressive in an environment where you're building capital, or are you doing this also to illustrate stable, normalised earnings?

Secondly, on M&A, it looks like you have about 1.2 billion of surplus capital at the end of the year. Can you talk about the visibility to deploy your surplus capital? Is there some preference for Asia, partnerships, and the like?

And then, finally, China reopening. Obviously, Q4 was very tough, but with the end of lockdown and with China reopening, just curious what you can tell us about what you've seen year-to-date and the outlook for this year. Thank you very much.

**Valerie Baudson (Amundi):**
Thank you very much. I'm going to take the question on China, on M&A. I let you answer on the dividend.

**Nicolas Calcoen (Amundi):**
On capital management and dividend, our policy has been clearly stated during our Investor Day in June, and doesn't change; it is to distribute 65% of our results or more. This year we’re considering the situation, the strength in our financial position, the fact also that, in terms of M&A, we have been concentrating on making the Lyxor integration a success; we didn't have any new operations during the year. We decided to propose this dividend at €4.1 per share, which represents a pay-out ratio of 75%. Going forward, our policy doesn't change; it’s at least 65%. It will, of course, clearly depend on income level and the evolution of the results, but also how we deploy capital for M&A, which leads to the second question.

**Valerie Baudson (Amundi):**
On the M&A, as usual, being Amundi, we have the opportunity to look at close to everything which is for sale. We have always three main focus. The first one is to make sure that any acquisition is actually accelerating our organic growth, which is always the priority. So, to answer your question precisely, it could be a question of developing more quickly some countries – why not in Asia? It could be about developing some expertise; it was the case with Lyxor, obviously. It could be developing a new network;it was the case with Sabadelll it could be in Technology and Services as well as it is a full part of our strategy.

Then, there are two main conditions - you know them: strong and strict financial discipline, a return on investment of 10%; and the second condition, which is actually the most important one for me, is that we need to feel that this acquisition is properly executable afterwards, because a deal is a deal, but the most important thing is then to integrate properly, which is the hard work, and it will always be an important consideration on my side.

The third question: what about China? China is now coming back in 2023 - you know the story by heart. As Nicolas was mentioning on Amundi BOC, the solutions that the clients are asking from us are fixed-term solutions. So, in 2022, obviously the gross inflows were below the gross outflows. Considering the situation and looking at 2023, of course, we welcome extremely positively, like everybody else, the fact that China reopens, and it will clearly make things easier, but I think we need to remain cautious on the rhythm and the pace. It will not happen just like that. So, once again, for me, China is a super-strong investment in the long term. We'll see what happens for 2023, but at least I'm absolutely certain that it will be a good investment for Amundi in the long term.

**Cyril Meilland (Amundi):**
OK. Next question from Bruce.

**Bruce Hamilton (Morgan Stanley):**
Thank you. Bruce Hamilton, Morgan Stanley. I’m afraid I’ve got a couple as well. Firstly, on ESG and the evolution of your ESG strategy, we've seen downgrades to Article 9. Do you expect we might see the same in Article 8, given how prescriptive the regulations appear to be on what needs to be clean?

**Valerie Baudson (Amundi):**
You mean a downgrade in article 9?

**Bruce Hamilton (Morgan Stanley):**
Is there a risk in Article 8 as well, given the level of green? And if so, does that just mean that you're going to be pushing on more flexible thematic products, or how should we think about that?

Second question was just thoughts on the discussion on EU inducement ban. What do you think is most likely in the proposals, and how do you think about implications for your business. And maybe I'll stop there.

**Valerie Baudson (Amundi):**
Two interesting questions. The first one on ESG and Article 9, 8, *et cetera*: I would like to start by saying we don't expect any significant change in our dynamic and revenues in relation to these article movements. It's mostly a question of a European regulation changing, and changing fast. We are not changing anything on our side about the level of constraints we have in our portfolios; our clients know that perfectly. We just want to make sure, and we know that it's important for you as well, that we are systematically, of course, in line with the regulation and that everything we say, we do; everything we do, we explain. That's the main rule we follow, whatever happens in this area. And on these SFDR regulations, we took this decision, like actually a lot of our competitors, to protect our clients, to protect our distributors in a changing environment, but this doesn't change anything to our ambition, and this doesn't change anything to the constraints and the organisation we have internally that we presented to you in detail during our investor day.

On the ban of inducements, first of all, trying to take the positive part of it, of course, I think the effort that the European Commission is making in this forthcoming retail investment strategy to increase capital market participation by retail clients is a good one, of course. To date, nothing is concrete and nothing is decided at this stage, as you well know. We understand that the Commission is contemplating various options, including ones on ways to further restrict the rules on retrocession to distributors. What we think, very clearly, is that a potential complete ban of retrocessions would be, of course, detrimental to the access to products and advice for retail investors. To date, nothing has been decided at all. First. Second, the European Commission proposition would need to be, of course, negotiated with the states, and a number of European states have already declared that they were opposed to that. Of course, it would have to be adopted by the European Parliament, and even if it was negotiated, decided, and voted, of course, it would take a lot of time to be implemented, so we're speaking about end of ‘25, ‘26 probably, if. So, once again, if. Amundi today has a very positive track record in various distribution channels and in a lot of expertise. Just to take an example, which is the ETF one, it would obviously be good news for the ETF industry, and in that case Amundi would obviously benefit from it. So, that's where we are today. We will follow it closely.

**Cyril Meilland (Amundi):**
OK. Next one. Arnaud?

**Arnaud Giblat (Exane BNP):**
Good morning. It’s Arnaud Giblat from Exane BNP. Three questions, please. Firstly, can I ask about ALTO? Quite a sequential improvement in Q4. Are there any lumpy items there, or was that a sustainable rate? Can you talk a bit about the client pipeline?

My second question is on alternatives for retail. A number of the traditional asset managers out there, especially on the US side, have launched some substantial offerings to retail and private real estate. You've got the capabilities there. Can you talk about your intentions and how you can significantly increase access there. A lot of the alternative managers as well are tapping into retail, so it feels like a good opportunity. I just wonder if you could develop there.

And finally, BlackRock reported close to record inflows in Q4 for fixed income ETFs. How are you going about positioning yourself for that opportunity, which seems quite strong in Europe? Thanks.

**Valerie Baudson (Amundi):**
( to Nicolas Calcoen) You take ALTO; I’ll take the other ones.

**Nicolas Calcoen (Amundi):**
On ALTO, I think you're referring to the evolution of revenues. Through that, from one quarter to another quarter, the evolution of the level of revenues can depend on the fact that we, for example, onboard a new client, and we charge fees related to the onboarding of clients. So, maybe we shouldn't look that much at the evolution of revenues from one quarter to another quarter. What is important is to look at the direction, and the direction is clearly increasing: +35% in 2022 compared to 2021. And plus, the fact is that, progressively, we have onboarded clients in the recent months, quarters, years. So the proportion of revenues that are regular fees, service fees, and not onboarding fees are increasing. Today they represent roughly two thirds, or even close to 70%, where it was a bit more than 50% last year. So that’s, I think, an important element that allows us to be confident in the fact that if we continue to grow, there’s of course ongoing discussions with new clients; we’ll see where it goes, but clearly the direction is - maybe not every quarter, but every year, an increase in revenues with the onboarding of new clients and a higher proportion of revenues coming from regular ongoing fees.

**Valerie Baudson (Amundi):**
On alternative retail, I absolutely agree about the fact that, globally, alternatives will increase if we look very long term in the retail area. Europe is not exactly at the same level as the US, so that's why I think we can consider it will take some time, but the trend will be here, especially because it's a good idea, especially for retirement solutions, and it's a positive one. Very concretely, knowing what retail is - at Amundi, we know very well how to deal with retail - I do not believe so much in alternatives directly to retail clients. It does work with very wealthy clients, but pure retail is more complicated. What I really believe in, actually, is the fact to include more alternative solutions within retail solutions, and this becomes much easier. And this year, in this area, Amundi is extremely well-placed to organise this kind of things, just because we have a large number of retail clients and distributors, and because

we have all the capacity in-house to organise such solutions. So, we're typically working on continuum products, for instance, within Amundi, to include more real assets in DPM or multi-asset solutions. Very short term, I consider that the alternatives and real assets products have not yet completely corrected at the right level, so we need to wait and see a bit more to accelerate in this area, but long term I agree with the trend.

On the ETF side, the flows in 2022 were very much directed to US markets, for obvious reasons. Of course, there will be a trend to fixed income in 2023, but there will also be a strong trend to Europe in 2023, just to rebalance, and we're starting seeing it in the first flows. So, I'm pretty sure that Amundi can benefit from that.

On the European side, we have the set up in fixed income, less in the American ones. But with both our ranges, Lyxor and Amundi, today I think we have more than 400 ETFs right now, so you can find a lot of things.

**Cyril Meilland (Amundi):**
Next question from Hubert, and then Tom

**Hubert Lam (Bank of America):**
Good morning, it's Hubert Lam from Bank of America. Three questions. Firstly, can you talk a bit about your relationship with UniCredit. UniCredit's recently been partnering with other asset managers in terms of creating new products and distribution, and they also have the right to buy one of these new asset managers that they're creating with Azimut in five years' time. Do you see this as a threat to your relationship with them when it comes up for renewal in five years?

Second question is on money market funds: you've had a lot of money market inflows in Q4, which you've attributed to higher yields in deposits or cash-like deposits. Do you see this again as a threat to maybe your higher-margin risk assets if people move from fixed income or equities into money markets just because it's more attractive now in terms of yield?

And last question is on your 5% EPS CAGR by 2025. If you look at consensus today, we don't think that you can achieve that target; it will be below that. Just wondering if you're still confident that you can still achieve that 5% goal. Thanks.

**Valerie Baudson (Amundi):**
Thank you very much. On UniCredit, I'm pretty sure you read the press release of the company when they announced this partnership with Azimut to create a joint venture in Ireland, and it was very clearly stated that this agreement does not impact in any way their existing partnerships; it does not impact the partnership we have with them. As you know, we have our very own distribution agreement with UniCredit, making us their preferred partner for asset management products until July 27. So, we remain their preferred partner today, and our very large and, I would say, high-quality expertise as the first European asset manager allows us to offer that to UniCredit, and as you could see in the results of international networks, Partner networks, the result in 2022, considering the situation, was a good one.

On the money market flows, no, it's not a threat, because once again the strength of Amundi is the diversified model. So, considering the situation we had in Q4: there were more inflows into money markets; there was a lot of aversion to risk at that time. But if we speak about retail clients especially, and that's where the highest margins are, the most important flows were not in money market, but were in structured protected products, which are much better adapted to a final retail client, or were in Buy & Watch fixed-income solutions, which are medium-long-term solutions and high-margin solutions. So, a threat would be not to be able to answer to some of our clients in a specific environment, and I think that our strength is actually to be able to answer to all types of clients in any environment.

On the earnings per share growth, we stated very clearly during our medium-long-term plan that this objective was taking into account globally stable market impacts on the period. So, we restate it. You know very well what is the sensitivity; it's +/-10% equity means +/-125 million Euro; +/-100 basis points means -/+50 million Euro. So, we are navigating in this environment, and 2025 is far away. We'll see about the market, and we confirm clearly our objective.

**Nicolas Calcoen (Amundi):**
And clearly, for 2022, if you take into account this market environment, if you correct from this market environment we were clearly in line and even a bit above this objective.

**Cyril Meilland (Amundi):**
Next question from Tom, and then we'll take a question from the phone.

**Tom Mills (Jefferies):**
Thanks very much. It's Tom Mills from Jefferies. Three questions, please. Firstly, on the Fund Channel performance, which looked super-strong, you alluded to a mandate win with ABN Amro private bank, but could you perhaps also say where else you've been winning business geographically, with what kind of counterparties? That would be very helpful. And maybe if you can speak about the economics of that business at all, that would be great.

The structured product net inflows in the second half of the year obviously built up, and you mentioned that in the presentation. Could you perhaps talk about how you see demand for those building through 2023, given the different rate backdrop?

And then, finally, just going back to the inducement ban - and I appreciate there's so many unknowns there - but with the distribution agreements that you've got with the various partners, could you maybe talk about whether there are clauses in the contracts there that return some economics to you if those relationships are disrupted by the bans, or anything like that? That would be helpful. Thanks.

**Valerie Baudson (Amundi):**
Fund Channel. There are two activities within Fund Channel. The first one is fund distribution services: rebates, calculation, agreements, *et cetera*; it's the historical one and still a very strong one. And the second one is building digital services, especially, let's take examples, reportings or funds data, for asset managers to analyse the holdings of their funds by distributors, and for distributors to analyse the funds they hold and their relations with asset managers.. Fund channel is growing, with very good services. It has a competitive offer. Today, we are the fourth platform in Europe. There was one offer that we didn't have within Fund Channel, which was the simple execution of funds, and that's the reason why we're making this joint venture with CACEIS. So, even before the legal JV with CACEIS, we have already organised the possibility to execute directly with CACEIS when we have a client at Fund Channel in a STP process. It's one of the reasons for the growth of Fund Channel. It's now completely competitive with the best platforms we can see in Europe. We mention ABN because it's one of the largest clients, but we have several clients. We even had one significant one in Asia in the year. So, we go on being positive on the future of Fund Channel

Regarding structured products. My feeling is that in 2023 they will go on being an important part of the offer, at least for the beginning of the year, because retail clients will remain adverse to risk in this still uncertain current environment. We will go on delivering such type of solutions for networks in the near future, and we'll see how the year is going. But at least for the beginning of the year, it should be part of our offer. On the contract, Nicolas? On the inducement ban, I'll let you answer on that one.

**Nicolas Calcoen (Amundi):**
Typically, in our distribution contract, we have a general clause in case of significant change of regulation, according to which we have to discuss in good faith to rebuild or preserve the general economic balance of the relationship. That's typically the kind of clause we have. Again, as Valerie indicated, on this issue of ban of inducements, if it happens, and that's a big if, it will take some time to be implemented. So, anyway, the impact on existing contracts would be limited, if any.

**Cyril Meilland (Amundi):**
OK. Next question from the phone.and then Angeliki

**Operator:**
Thank you. As a quick reminder, to ask a question on the phone, you need to press *1 and 1 on your telephone, and wait for your name to be announced. It's *1 and 1, and wait for your name to be announced. We are now going to proceed with our first question, and the questions come from the line of Haley Tam from Credit Suisse please ask your question.

**Haley Tam (Credit Suisse):**
Good morning. Thank you very much for taking my questions, and apologies for not being there in person. If I can ask a few quick questions, please, on numbers? Firstly, just on the fund flows, could you quantify for us the headwind from the remaining fund maturities in 2023 from the Bank of China wealth management joint venture?

And then, secondly, on the third-party distributors, I think there's some very clearly different fund flow experience here in H2 versus your partner networks, and I just wondered why that was. Is it a different type of client in terms of risk aversion: they're not interested in Buy & Watch bonds and structured products? Or is there perhaps more competition here that you face for that kind of product?

And then, the final question again on flows, but the joint venture with SBI MF. Is there any expected impact for you there from the Indian finance minister budget announcements about the removal of tax exemptions for the large ticket insurance policies. Is it either positive or negative for you? Thank you

**Valerie Baudson (Amundi):**
Thanks very much. I'm going to take the last two questions. I will let you take the first one [to Nicolas].

On SBI, once again, I think it's an incredible, honestly, an incredible and very positive joint venture we have there; we actually have more than 17% of the market share of the asset management industry in India, which is going to grow extremely fast when you see the level of penetration today, which is very low compared to the level of penetration of Europe and the US. When there is an event in the company, wherever it takes place, obviously we look at it, within Amundi. In this specific case, Adani, we have a completely insignificant position; it's less than 0.04% of our assets, so it's not an issue for Amundi at all. And we never, of course, consider that an event with one company is actually having consequences on the whole country, or all the companies of a country, of course. So, no worries at all in India on my side - on the contrary.

Second, on the third-party versus retail partners, the type of solutions, it's actually very practical what happens in real life. Typically the solutions like structured products or Buy & Watch solutions, which are really designed on purpose, on demand, in a very limited timeframe to answer specific economic environments, it's, for us, much easier to implement them into our preferred or retail networks with whom we have very strong and daily relationships than to implement them in third-party distribution because of course the teams are obviously not at the same level of connection, so it explains part of the different sides. It's practical, but at the same time, there's always a longer lag to sell something to third-party distributors. But we actually had some success on the Buy & Watch solutions with our third-party distributors as well.

On maturity with BOC?

**Nicolas Calcoen (Amundi):**
I'm not sure I completely got the question on the phone with BOC maturity.

**Haley Tam (Credit Suisse):**
The 12-to-18-months maturity product at Bank of China wealth management, which has obviously been the gross outflow headwind through most of 2022 – I just wondered how much more headwind there is now as we go into 2023 from that part.

**Nicolas Calcoen (Amundi):**
Most of the products today have a maturity date. I don't have the exact number, but most of the products that Amundi BOC WM is managing today are this kind of maturity products with a relatively short timeframe. So, it's most of the business today, and we have a remaining €7 billion of assets, but we renew part of them.

**Valerie Baudson (Amundi):**
It's really the wealth market—

**Nicolas Calcoen (Amundi):**
—it's just that over the recent months, , we didn't manage to completely renew or replace products maturing by new products because of this market environment and risk aversion.

**Cyril Meilland (Amundi):**
Thank you. Next question?

**Angeliki Bairaktari (JP Morgan):**
Good morning. Thanks for taking my questions. Angeliki Bairaktari from JP Morgan. If I may just come back to the ban on rebates, I appreciate that it's very early days, but have you thought about how you could restructure your relationships with the distribution networks in Europe, both the partnerships that you have, but also the third parties, if fees were to be unbundled, if we were to have advisory fees and then product fees? How would you look to position yourself into that? Do you think you would be competing much more, for example, on performance of the funds, relative to the relationships that you have today?

Second question, on the liquid real estate vehicles that you have - I think you have one of the largest ones in Europe, called Opcimmo. Have you seen any pressure there in terms of redemption requests or outflows?

And third question: you mentioned that there were some redemptions from euro contract insurance policies that drove the outflows in the insurance mandates. Do you expect to see more of those outflows, going forward, and do you think those are driven by retail investors trying to take their money out of euro contract policies in light of the higher interest rates and maybe put them in deposits or some other higher yielding products? Thank you.

**Valerie Baudson (Amundi):**
(To Nicolas) Which one do you want to take? Ban on rebates, I'm going to let you do it because it seems that I'm not convincing enough. I'm going to let you do it.

**Nicolas Calcoen (Amundi):**
On the ban on inducements, again, it's a big if, if and when it happens. And if it happens, it will be in the future - I don't come back to that - on how we could then operate, I think we have a good example in the UK or in the Netherlands, where this kind of ban already applied, and the adaptation is to have new kind of products, what is called in the market jargon, clean share products, where you have products with lower fees, but no rebates on it, and on the distributors are financing the advice - for example, specific fees that are taken at the distribution level. The reason why we feel that it is a bad idea, and we have clearly stated that, is that we don't think that all individuals can manage to pay for these kind of specific fees for advice, and then there will be a large proportion of clients, and probably the ones with the lower wealth, that won't be able to pay for that, and won't get the right advice, and won't get the right access to the product.

**Valerie Baudson (Amundi):**
On Opcimmo, no worries, no specific worries. It's usually part of a very stable position of final retail clients, mostly within the Credit Agricole group, where we have offers, mixing a little bit of real estate, a little bit of patrimoine multi-asset funds, so a balanced, I would say, allocation. So, no worries on that. It should remain stable, obviously not growing fast in the next few months, but I'm not worried.

On the euro contracts and insurance mandates, yes, of course, there is a move today, in some networks, getting out of euro contracts to go into more regulated savings accounts, but at the same time, it's a great opportunity as well for unit linked, and we see a lot of actually increase in unit linked. There are fewer euro contracts, but more unit linked, so for Amundi, the total is better in terms of margin.

**Angeliki Bairaktari (JP Morgan):**
If I may just follow up on rebates. In the Netherlands and the UK, where you have gone through that experience, what was the impact for you? Did you see a drop in margins?

**Valerie Baudson (Amundi):**
First of all, you know that the UK is not the most important market in Europe for Amundi. So, it was probably sometimes not being so good in some markets - it can be good at some points. So, honestly, it was much less of an impact for Amundi than it has been for a lot of our competitors. If ever this was happening, and once again I'm not so sure, and it will be in a long time, it will probably favour mostly ETF and passive, and solutions, typically DPM solutions, with ETF underlying. It's the good way to be able to adapt to this situation. In both these cases, honestly we will be very strong, we will be very strong, first because we are the European ETF leader today, and second because we know perfectly how to build these kind of solutions for passive models with our multi-asset teams. So, I'm not saying we are in favour of it – obviously, we are not – and honestly, I think it is not good for the final retail clients, because in that case, the clients do not get any advice any more. That's what we saw in the UK and the Netherlands. But if ever it was happening in a long time, Amundi would be probably one of the asset managers most benefiting from this trend.

**Cyril Meilland (Amundi):**
I don't think we have any further questions on the phone. Are there any other questions in the room? No, I think we're done. Thank you very much, and we'll see you again, or we'll hear from you again, at the next quarterly figures very soon. Thank you.

**Valerie Baudson (Amundi):**
Thank you so much. Have a good day. Thanks a lot for being here.