Amundi Q2 & H1 2026 results – Analyst presentation Transcript of the call (10am Paris time)

Cyril Meilland — Head of Investor Relations

Good morning.

I'm Cyril Meilland, Amundi's Head of Investor Relations. It's a real pleasure to e-welcome you at this video conference to present our second quarter results. We are here in Paris, which is less hot than a month ago in London for our Asian workshop.

This video conference will be broadcasted by Zoom.

We shall have a presentation by our CEO, Valérie Baudson, and our Deputy CEO, Nicolas Calcoen.

The presentation should last approximately half an hour and will be followed by a Q&A session as usual. If you want to ask a question, please raise your hand virtually. Also, if you have the new Zoom version, it’s probably a heart with react and then you have to select “Raise your hand”, because the Zoom application has changed. We shall then open your mic. Please open your camera so that we can have a lively dialogue.

We have changed the setup again this quarter. Unlike last quarter, there will be no delay between the moment we open your mic and the moment you can start talking. We are back to the previous setup, which was more convenient.

Before we get started, a short disclaimer. 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 in our universal registration document. Amundi assumes no duty and does not undertake to update any forward-looking statements.

I also wanted to highlight a few changes to our disclosure that you have to keep in mind.

We will have this quarter the first contribution from ICG to our adjusted net income in the equity-accounted contributions. We consolidated 7.72%, to be precise, of their net income, with a delay, as we have explained on our website.

Our first half-year P&L will also be compared with the first half 2025 P&L, as if Amundi U.S. had been equity-accounted at 100% in Q1. You are now familiar with this pro forma comparison.

We shall give no details about our JVs because of the IPO process of SBI FM, which is now complete, but we still have to respect a period after it without any disclosure.

I remind you also of a simplification of disclosure by clients. We now have only three segments: Retail, Institutional excluding insurers, and Crédit Agricole and SocGen insurers. We also transferred the Employee savings from institutional to retail.

With that, I now leave the floor to Valérie.

Valérie Baudson — CEO

Thank you very much Cyril for all these details and good morning, everyone.

I am very pleased to share with you our key highlights before Nicolas takes a more detailed look at our financial results as usual.

Assets under management now stand at close to €2.6 trillion, up +14% year-on-year. First-half net inflows of +€56 billion were the highest in Amundi's history.

I would like to highlight that most of these net inflows are in medium- and long-term assets, with more than +€50 billion — again, a record for a first half.

Q2 inflows reached +€24 billion, with strong momentum across all strategic priorities. Again, the lion's share of these net inflows were in medium- to long-term assets.

This activity translated into very strong financial results, with net income of over €430 million, up almost +30% year-on-year.

This was supported by strong revenue growth and a very positive jaws effect. As a result, adjusted EPS was above €2 for the first time in a quarter.

To sum up Q2 in one line: record activity and record financial results supported by tangible Invest for the Future plan progress.

Let's look at our highlights by strategic priority, starting with clients.

Retirement

In retirement, we saw continued commercial success thanks to growing demand for individualised solutions. Retirement-related inflows reached +€8 billion in Q2, driven by the dedicated business line we have created to accelerate growth.

In France, we saw particularly strong momentum in Employee retirement schemes. First-half inflows into PER collectif plans reached +€1.9 billion, up +90% year-on-year. PER individual inflows were also up +15%.

In Germany, pension reform is driving a shift towards simpler, lower-cost, and capital market-based retirement saving. From 2027, new German pension accounts can invest in funds and ETFs. We are already very well placed to support that.

In Q2, we signed two new distribution agreements for Germany's reformed third-pillar pension market, reinforcing our early positioning in a significant growth area.

Our dedicated retirement business also supports our ability to innovate. We are using investment design and technology to support sophisticated life-cycle investing. This means moving beyond age-based de-risking towards adaptable and goal-based glidepaths.

This is the focus of our new Amundi Institute white paper, *The Life Cycle Remix*, which sets out our thinking about the next generation of retirement solutions.

Geographies

Moving to geographies next, where the main highlight was the successful listing of SBI Funds Management.

As you know, this is an important milestone for Amundi in Asia, which reflects the strength of a partnership built over more than 20 years with State Bank of India.

SBI FM is India's leading asset manager, with around €280 billion of assets under management, a more than 15% mutual fund market share, and a leading ETF position.

The listing values SBI FM at more than €10 billion and will generate an estimated €300 million net capital gain for Amundi to be booked in Q3 this year.

Our approach to this capital gain will be fully aligned with our Invest for the Future allocation commitment. This means prioritising external growth initiatives while retaining the flexibility to return excess capital to shareholders.

Importantly, we retain a share of the capital of SBI FM of almost a third, a stake worth approximately €3.5 billion. This means continued exposure to India's long-term savings growth.

More broadly, in terms of geographies, the quarter underlined the power of our international growth engines, with Asian inflows reaching +€9 billion and Northern European inflows at +€8 billion.

Solutions

Moving to solutions next, where we continued to see strong momentum.

Starting with active management, where inflows reached +€9 billion. This commercial momentum was supported by strong inflows into fixed income strategies.

A key highlight was also the success of our U.S. Victory strategies distributed in Asia and Europe, with close to +€3 billion of inflows in equities and multi-asset.

We have also completed our income fund range. We are now able to offer clients a full range of fixed income, equity, and multi-asset strategies designed to generate regular income and additional long-term returns.

Q2 also saw strong performance from our flagship funds. Our Global Aggregate and Emerging Market Bonds were both in the top decile over one year.

ETFs

ETFs next, where assets under management now stand at more than €400 billion and net inflows reached +€12 billion in the quarter.

We are continuing to expand our offer to meet growing client demand for efficient, scalable investment building blocks. Innovation, as you know, is the key to success in this space.

During the quarter, we introduced the first UCITS ETF weighted by GDP, bringing investors closer to the real economy. We also launched two new active ETFs, reflecting our deep fixed income expertise.

In Q2, we also won two new white-label ETF clients. Fineco Asset Management will launch three Amundi co-branded products on Borsa Italiana, continuing our long-standing partnership, while Indosuez will use our platform to launch four active equity and fixed income ETFs in Europe.

Private assets

Private assets next. Here, we delivered good second-quarter inflows supported by several new institutional mandates for our multi-manager strategies through Amundi Alpha Associates.

We also saw ICG make its first contribution to the adjusted results this quarter, reinforcing the growing role of private markets.

Digital assets

In digital assets, we have launched euro- and U.S.-dollar tokenised share classes of the Amundi Money Market Fund with Ant International, the financial services arm of Alibaba group.

Responsible investment

Last but not least, responsible investment inflows were positive as well, including +€1 billion for the Global Green Bond Initiative Fund.

We also transformed into net zero an OCIO mandate of €1 billion for a European insurer.

The message on solutions is simple: we are growing in active, in ETFs, and private assets, and we continue to broaden and innovate on our client offer.

Amundi Technology

Turning now to Amundi Technology, which delivered a +25% increase in revenues year-on-year.

This was supported by strong growth in license revenues, which is the recurring component for this activity. We also signed two new clients again.

The first was La Banque Postale Asset Management, which will use ALTO Investment, our portfolio management solution. The second is Sparebank1, one of Norway's leading regional banking groups, which serves over 2 million clients.

Sparebank1 will use our ALTO Wealth & Distribution platform to support digital advice, more personalised client insight, and enhanced reporting.

This is a very good illustration of how our technology offer is evolving into a broader service model for wealth management clients. It also shows the cross-selling potential of Amundi's integrated model, combining technology with advisor support and fund selection.

Efficiency and AI

Before we move to the financial results, I wanted to briefly highlight efficiency, one of the six priorities of our Invest for the Future plan.

The example on that slide is Amundi Intermediation, our regulated trading entity, and how we are using AI to improve execution, performance, and prices. Here, AI helps select the best equity execution strategy according to the characteristics of each order and market conditions.

In fixed income, predictive tools also help portfolio managers identify which bond strain to trade and at the best available price. The benefits are clear. Between 2022 and 2025, both equity and bond execution added-value improved significantly.

This means that we were able, via order execution, to improve the fund performances for all clients.

AI is also now embedded in workflows such as Know Your Broker, due diligence, and RFP processes.

So the message is simple once again: AI is becoming both an efficiency lever for Amundi as well as a commercial opportunity with our clients.

Finally, before I hand over to Nicolas, I wanted to close this section with a visualisation of the strong year-on-year progression of our Q2 results.

Very strong asset growth translated into higher revenues, up +18%. These are supported by both market levels and the commercial momentum we are seeing across clients, geographies, and solutions.

At the same time, we maintain our trademark operating discipline, which translated into a very positive jaws effect and significant increase in net income, up +29%.

This culminates in EPS of €2.09, clearly showing the earning power of the model.

With that, I will hand over to Nicolas, who will take you through the activity and financial results in more detail.

Nicolas Calcoen — Deputy CEO

Thank you, Valérie, and good morning, everyone.

I will now indeed comment on our activity and financial results.

Activity

First activity. At the end of June, our assets under management totalled €2.6 trillion, rising by +14% over one year and +8% over the quarter. This is again a new record for Amundi.

Most importantly, we gathered healthy inflows of +€24 billion in the second quarter. Our assets also benefited from a strong market effect of +€148 billion, reflecting the low point in equity markets at the end of March. This was also complemented by a small positive foreign exchange effect, thanks to a stronger dollar.

As Cyril explained, we also integrated our share in ICG assets for the first time, or 7.7% of their fee-earning assets, to be more precise. At the end of March 2026, this represented €6 billion. This explains the scope effect shown on this chart.

Let me now go into more detail about our flow performance, which originates from most client segments, asset classes, and geographies.

If we take a step back and look at the activity over the first half, net inflows reached a new half-year record of +€56 billion. This was driven by record inflows into medium- to long-term assets at +€51 billion.

This strong business momentum follows the trend of the past three years.

The high level of business was reflected

- in ETFs, with +€28 billion collected in the first half,
- in active management with +€17 billion, in particular in fixed income,
- and in private assets, where we gathered +€4 billion, thanks to our multi-management business, Amundi Alpha.

We won several large subscriptions from institutional clients in private assets in the second quarter. This also builds on the large commitment from Crédit Agricole Assurances in the first quarter.

More specifically, in the second quarter, net inflows into medium- to long-term assets were also high and accounted for the bulk of net inflows of +€20 billion.

ETFs here again contributed +€12 billion, while active management delivered +€9 billion inflows. Fixed income was the main active management driver, but it should be noted that equities were also positive this quarter, with +€1 billion.

Treasury products posted net outflows, mostly coming from corporates, which redeem money market funds to pay their dividends, as is usually the case in the second quarter, and from institutions which favoured short-term duration fixed income solutions.

Investment performance

Investment performance next. Again, in this quarter, the key message is consistency.

On a five-year basis, 78% of our funds outperformed their benchmark in a very volatile macro environment. The message is exactly the same when we look at Morningstar rankings.

Three-quarters of our assets in our open-ended funds are in the first and second quartiles over a three-year and five-year period.

264 Amundi funds are rated four or five stars by Morningstar, a material increase compared to end-2025.

As Valérie already mentioned, the investment performance of our fixed income flagships is particularly good. For example, our main flagship Global Aggregate outperformed its benchmark by close to +8 percentage points over three years, and our Emerging Bond flagship by +11 percentage points. Both strategies have more than €4 billion under management.

Client segments

Looking next at our client segments in the second quarter.

Let's start with retail, where net inflows totalled over +€15 billion in the quarter, almost all in medium- to long-term assets. These were driven by inflows of +€16 billion in third-party distribution, which is equivalent to +15% growth on an annualised basis.

Outflows from UniCredit networks were -€5 billion in the second quarter overall, while total assets with these networks remained flat at €75 billion at the end of June, thanks to a positive market effect.

Net outflows in the institutional segment of €7 billion can be attributed to three items:

- first, net outflows in treasury products already explained for -€7 billion;
- and two exits totalling -€11 billion in large, low-margin mandates — one of -€4 billion in the Middle East in an equity index mandate, and another one from the insurance company of UniCredit of -€7billion euros.

We now have €14 billion left in assets overall with the institutional part of UniCredit. They have a margin similar to the mandate we manage for Crédit Agricole and Société Générale Insurers.

Therefore, excluding these exits, the institutional business was very robust in long-term assets in the rest of Europe and Asia, with net inflows of +€11 billion.

Crédit Agricole and Société Générale Insurers now also gathered +€11 billion, of which +€6 billion in long-term assets. This reflected continued appetite for euro contracts, as well as the continued diversification of Crédit Agricole Assurances investments.

Finally, our Associates also performed well in the quarter. All of our joint ventures in Asia posted positive inflows totalling +€5.6 billion.

You may ask, what is the status of the large exit we expect from the EPFO mandate in India? It is still expected, still likely to be approximately -€30 billion to -€40 billion, and we expect it soon in the coming months. However, as we said many times, this will not have any impact on SBI FM profitability, let alone Amundi's.

The U.S. distribution of Victory Capital also posted positive flows during the quarter after three quarters of steady improvements. And, as Valérie mentioned, the strategies managed by Victory Capital that Amundi distributed to its clients in Europe and Asia gathered +€2.9 billion, showing increasing momentum since the start of this partnership.

Second Quarter results

Let us now start the review of our results with the second quarter and with the revenues.

Total revenues were €933 million this quarter, up +18% year-over-year thanks to strong growth in business-related fees, both in asset management and in technology.

Net management fees were up by +17% compared to the same quarter of last year, thanks to the strong growth in assets driven by the strong cumulative net inflows over the last 12 months, close to €100 billion, and the positive market effect.

They also benefited from a high level of guarantee fee from structured products. However, excluding this one-off effect, as well as all revenues related to the distribution contract with UniCredit, the gross rate in management fees would have been the same as the actual one of +17%.

Performance fees were stable year-on-year.

Technology revenues were up by 25% at €32 million. This reflects very healthy growth in license revenues, up by 20%.

Finally, a word about our **financial income**. It more than doubled compared to the same period last year. This reflects two contrasting elements. The decrease in euro short-term rates resulted in a material drop of the return we get from the voluntary placement of our cash. However, this was more than offset by better mark-to-market effects and seasonal dividends.

Turning now to our **costs**. At €456 million, operating expenses were up by +9%, 9 points below the top-line growth, in a context of healthy business development for Amundi, as our strong inflows indicate.

This good cost control was achieved thanks to our continued efficiency efforts. It allows us to continue to invest in our strategic priorities.

As a consequence of this large positive jaws effect, the adjusted **cost-income ratio** was 49%, or 48.9% to be precise.

Finally, our adjusted **net income** reached an all-time high for a quarter at €431 million. It was up by +29%.

As Valérie highlighted, it reflects an acceleration from assets to revenues to gross operating profit, which was up by +20% thanks to the very positive jaws effects.

Finally, the strong growth in the contribution from our associates, +30%, dialed up net income growth to +29%. This comes from the first contribution from ICG, which accounted for less than half of the growth of associates at €12 million. The contribution from our Asian joint ventures grew by +10%. At constant rupee, this growth would even have been doubled.

The contribution from Victory Capital was up by +31% to €35 million thanks to the synergies and despite currency headwinds.

The adjusted net income includes a tax surcharge in France of €10 million for the quarter. As a reminder, it was €9 million in the second quarter of 2025. This surcharge did not have any effect on net income growth.

Finally, let me finish my comment about the third quarter result with our earnings per share. At €2.09, it is above €2 for the first time ever. This EPS does not take into account yet the accretive effect from our ongoing share buyback programme.

First Half results

Let's finish by looking at our financial performance in the first half of this year.

The trends here are very similar to those of the second quarter. Adjusted **net income** rose by +22% year-over-year to an all-time high of €781 million.

Like in Q2, this growth was driven by revenues, with +14% growth compared to the first half of 2025, driven by activity-related revenues.

Our revenue margin was 15.8 basis points in the first half, almost flat from the full-year 2025 level pro forma of the deconsolidation of Amundi U.S.

The strong growth in revenues and controlled costs resulted in a positive jaws effect of +4 percentage points. As a consequence, the adjusted **cost-income ratio** improved further to +49.6%.

The tax surcharge in France that totalled €56 million is equivalent to that of the first half of 2025.

Finally, EPS was €3.78.

Financial position

To finish, this good level of profitability only strengthens our financial position. As you can see, the tangible equity base reached €4.4 billion at end-June 2026, up by +2% over a year.

This increase was achieved thanks to retained earnings over the period and smaller gains from market and forex movements. This was despite the impact in the first half of the year from the integration of ICG and the launch of our share buyback program, which had a combined negative impact of -€0.6 billion.

In fact, excluding these two effects, tangible equity would have been up compared to end-2025, thanks to our record net profit in the first half of the year and despite the payment of the 2025 dividend.

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

Valérie Baudson — CEO

Thank you, Nicolas.

To conclude, this has been a very strong first half and second quarter for Amundi.

We delivered record activity, record results, and continued progress across every pillar of our Invest for the Future plan.

The quarter shows the strength of our model: diversified growth, disciplined execution, clear operating leverage.

We enter the second half with strong momentum, continued confidence in our strategy, and a clear focus on delivering growth and value for our clients and shareholders.

With that, Nicolas and I are happy to take your questions.

Q&A

Cyril Meilland

Thank you, Valérie. Thank you, Nicolas. It's time for the Q&A session, indeed. We will start with a question from Arnaud Giblat from BNP Paribas. I think you can speak now.

Arnaud Giblat - BNP Paribas - Analyst

Yes. Good morning. Hopefully you can hear me.

Three questions, please.

First on **management fees**. Could you go through some of the dynamics. There were… management fees grew +17% year-on-year. Specifically, your stated management fee margin in your release versus H2-H1 last year hasn't moved. I think there's a number of dynamics that are happening. You talked during the presentation about the penalties you're receiving from UniCredit. I'm just wondering if you could give us the quantum and whether these penalty fees will continue beyond the end of your contract back in 2027.

Also, I think you mentioned that there were structured fees that you received in the prior year comp. Just the quantum there could be helpful in trying to better understand the dynamics of what's going on there, and if there's any other one-time item, if you could flag these.

Secondly, on the **proceeds from the SBI IPO**, I think it's about €300 million. Do you have any immediate plans on what you're doing with that incremental capital?

Finally, **pension reform** seems to be a top subject across a number of European countries. Are there any potential changes and timelines you could flag around pension reforms potentially in France? I understand the election might change things quite a lot, but any update on what's happening on the pension front in France would be helpful. Thank you.

Valérie Baudson — CEO

Nicolas, I will let you take the first two financial questions. I'm going to answer the last one directly on pension reforms.

Nicolas Calcoen — Deputy CEO

Okay.

Valérie Baudson — CEO

As you know, at the centre of our plans, we consider that **retirement** is a driving force for our industry in the long run. It's true absolutely everywhere. It's obviously true in

Europe, considering the aging of the population. It's true as well in Asia, where we see pension plans growing everywhere.

In Europe, it's a very strong dynamic. Right now, the most important focus is on Germany, because of this new reform happening and starting in January. But the reality is that all the contracts and agreements are handled now. This is now that we're really working very hard on it, and it was very timely to launch our business line 6 to 10 months ago, to make sure we had all the force and strength to be able to address this reform in Germany.

In France, as you remember, la Loi PACTE, which was voted in 2020 — I'm looking at Nicolas, I think it was 2020 to remember the exact date — has been a strong growing force as well, with both the PERCO, the PER collectif, the employee retirement schemes, where Amundi is a strong leader because also of our historical position on the employee savings scheme. We are recording more and more inflows on that front. We do not expect any change to that in France in the short-, medium-, or long-term. This will be a growing area for the very long run.

The only thing which could happen at some point, which would be an additional positive effect in France, according to who will be in place, is the creation of pension funds. As you probably know, we don't have pension funds as we know them in the Netherlands, or the U.K., and all countries in the world. At some point, we might see new pension funds happening. For the time being, we are counting on the PERCO, which shows a very good dynamic already.

Nicolas Calcoen — Deputy CEO

Regarding the **management fees**, first and foremost, the strong growth we see in management fees by +17% compared to last year reflects the strong underlying development of Amundi. Both the very strong inflows — again close to +€100 billion on a cumulative basis over one year — and also a positive market effect. That’s, by far, ver far, the main effect.

Regarding the two specific elements you are mentioning, first of all, regarding the penalty fees with UniCredit. For obvious reasons, we do not disclose them. I think you can understand why. Just to answer also another part of your question, we have a contract going on until July 2027. Beyond that, nothing is known, but there is no penalties to be expected beyond this period.

Regarding the small one-off effect linked to structured products, just to remind you, we launch structured products very regularly. We have been very clear about that, part of these revenues are not completely recurring. It happens that we launched many of these funds three or four years ago, and a lot of them came to maturity recently, and hence the fact that we have a slightly higher level of this type of revenues in this quarter. In terms of quantum, it represents something like 2% of the management fees of this quarter.

Globally, again, to reflect the fact that the increase in management fees reflects a strong development of Amundi, I just wanted to reiterate that if we exclude both

- this small one-off effect on structured products during this second quarter
- and all revenues related to the distribution contract with UniCredit,

the gross rate in the management fees would have been very similar, at +17%, as the actual one.

Nicolas Calcoen — Deputy CEO

There was another question.

Cyril Meilland

Proceed from SBI FM.

Nicolas Calcoen — Deputy CEO

The proceeds from SBI FM, of course. Here again, I think Valérie already mentioned it. They will contribute to rebuild our surplus capital, and our approach for the structural capital has not changed: we prioritise external growth opportunities when they come. We maintain, and will maintain, an appropriate level of flexibility to return excess to shareholders if there are no opportunities.

Cyril Meilland

Thank you, Arnaud. The next question will come from Mike, Michael Werner.

Michael Werner —UBS— Analyst

Two questions from me, please.

First, look, this was a very strong quarter or very strong first half when it comes to revenue generation, AuM growth, and the like. Just wondering how you think about the **budget on the expense side in the second half**. Given the stronger revenue generation, is this something where you may bring forward some projects that maybe were planned for 2027 or bring on some new costs in the second half, just given the stronger revenues, or are you going to stay strict to that budget set at the start of the year?

That's number one.

Then number two, just going back to this SBI FM sale. You still have a very large position or stake in that business. When we think about potential divestment, is this something where you are willing to be flexible going forward if you see, for example, a large M&A opportunity or some other need of funds? Is this something where you could accelerate those sales, or are you going to try to do this in a structured and periodic manner? Thank you.

Valérie Baudson — CEO

Thank you very much for your questions.

On the expense topic, we're staying strict to our plan. It's working very well. We, as you very well know, have a plan to invest and to make sure we grow as fast as possible in Asia, in Northern Europe, with all our solutions, as we reminded again this morning. For the time being, we are staying on our plan. We go on with our stricter approach of cost as usual.

On SBI FM, just to give you a figure, less than 9% of Indian people have one fund for the time being. So the penetration of asset management is still incredibly low in India. We know that the growth rate of India will be huge in the next decade. So we want to be, of course, as present as possible.

What we know, because this is a regulation, is that, as you know, we listed 10% of the company last week. There is a regulation in India which tells us that we have to list 15% of the company after five years and 25% of the company after 10 years.

So what we know and what we are sure about, and we can tell you today, is that we will have to sell a little bit more of the company to reach this 15% liquidity in five years and 25% in 10 years.

Cyril Meilland

Okay. Next question will come from Hubert Lam from Bank of America.

Hubert Lam — Bank of America — Analyst

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

Firstly, on **life insurance**, you had very strong inflows in the quarter. Can you talk about what's driving this, and do you see this coming at the expense of growth into the unit-linked funds in France? That's the first question.

The second question is on **private assets**. Saw that you had +€500 million of inflows into your Alpha multi-management strategies. Maybe you can talk a bit about the growing momentum in that business. Thank you.

Valérie Baudson — CEO

Sure.

Insurance flows: we see a very strong dynamic. You know the weight of life insurance in France. You know it well. This is explaining absolutely the trend we've been seeing.

I would tend to say that there has probably been a bit higher euro inflows than unit-linked inflows over the last six months, which is very well explainable by the situation we know, geopolitics, etc.

We have, on the one end, people who are a bit more worried, which is great for us because they tend to save more. That's the first excellent effect. The second is probably that they invest a bit more in the euro part than in the unit-linked part.

As you can see, overall for Amundi, and as you can see on our flows, this effect is not significant. I don't see any significant changes for the future. We go on feeling that there will be again a lot of savings in France and in Europe.

Regarding **private assets and Amundi Alpha Associates**, we are actually seeing now the effect of all the work we've done since we acquired this company. As you may remember, it's Zurich-based, and it was really working well with both Swiss and German clients, but was not at all known in the rest of Europe, neither in Asia, of course. So we've been, this is the power of Amundi, we've been working a lot over the past few years. When was the transaction exactly? 18 months ago? Two years ago?

Nicolas Calcoen

Two years ago.

Valérie Baudson

Two years ago. We worked a lot over the last two years to make sure we introduced Alpha Associates everywhere in the world.

We are seeing the start of positive effects from these introductions. They are more and more known, and the two big mandates we won this quarter were neither in Germany nor in Switzerland. I think we will go on seeing growth in this area.

Cyril Meilland

Thank you, Hubert. Next question from Nick Herman.

Nicholas Herman – Citi - Analyst

Yes. Good morning. Thanks for the presentation, and for taking my questions. Three from me, please.

Coming back to **pension reform**. You've said that you have had two partnerships with two networks. What is the total addressable AuM from those networks to give us a sense of the opportunity there? Presumably, you're working with or on further distribution agreements with other German networks? Could you provide some colour there? Finally on this topic, beyond Pillar 3, do you see any opportunity to benefit from Pillar 1 and 2?

That was on pension reform.

On **surplus capital**, sorry if I missed it, could you quantify your surplus capital today pro forma for the SBI FM proceeds? I guess with strong appreciation of your share price, is M&A on the table yet, or are you waiting to build that surplus capital position first?

Finally, one of the surprises to me, at least, was the **net inflows in active equities**. It's the first time we've seen that for a number of years. Was that institutional capital? Could you provide a bit more colour and engagement on active equity and pipeline there, please? Thank you.

Valérie Baudson — CEO

Pension reform: I will let you answer on the second one, and I'll let you check the exact figures on the last part, if you may.

Pension reforms: as you know, we very happily give you the names of the clients when they're happy to be disclosed. On these two, we cannot disclose them, so I will not give you more details.

I think what's important to get here is that we are completely at the heart of the fight, if I may say so. In Germany right now, there is a need to make sure everybody is as prepared as possible for this new reform coming.

It's coming on all sides: insurance, banks, and digital platforms. As you know, we have very strong positions as well, and we will see growth from this retirement reform through the digital platform as well, because they will take the lion's share. With our position in ETFs, where they usually are starting with, we know that this will be a very strong growth area.

And of course, it’s been a long time we've been working with a pension fund in Germany for, with corporate pension funds. It's a significant part of our institutional business in Germany, and so we of course work on that front as well.

I'll let you answer on SBI FM and M&A.

Nicolas Calcoen — Deputy CEO

On surplus capital, and on M&A, as you know, with in particular the share buyback, we start the year with almost no excess capital. We are, of course, in the process of rebuilding it organically and through, for example, this operation with SBI FM.

There are still many moving parts: as the share buyback is not over, the building of the position in ICG is not over, so I think it's a bit early to give you an update, and we'll do it by the end of the year.

It doesn't mean that we don't look at M&A opportunities. We always do it, we will continue to do it. There's nothing specific to report, but we are looking, and as in the past and in the future, we are looking at any opportunities.

I think the last question was on what was driving the flows in **active equities**. It's diverse, but I think there was in particular strong success in thematic equities in Asia, in Japan in particular.

Valérie Baudson

I think there must be thematic equities in a way, absolutely. There has been very strong inflows from one of our thematic CPR funds in Japan, from what I remember.

I don't know whether in this figure we have Victory —

Nicolas Calcoen

Yes.

Valérie Baudson

We do have. There must be as well Victory strong inflows. American equities sold mostly to Asian clients.

One thing I would like to mention is that the performance of our funds on the equity side, and especially on European Value, has been improving a lot at the same time. That might be the main explanation of these inflows.

Nicholas Herman – Citi- Analyst

Very helpful.

If I could just ask a quick follow-up, please. I appreciate you don't want to disclose detail around your partners' networks. I guess just to give us a sense of the opportunity, could you help us understand what your market share in passive in Germany is, please?

Valérie Baudson

That's a good question. I would love to. I don't have the figure with me. We'll see whether we can give it to you.

What I can tell you is that it is very strong. It's very strong everywhere. We are a leading ETF provider in Europe.

As you know, the market is a very European one. In Germany, the reason why it's been very strong is that we were already at the heart of the process when it started in 2020: the huge rise of ETF in Germany is really coming from the COVID period, I think we discussed this several times, when the bank branches were closed, and a lot of German savers used, for the first time, the digital platform. They adopted it extremely efficiently and quickly. You know that Trade Republic is coming from Germany as well.

All these digital platforms are using nearly only — I'm not going to say only, but nearly only — ETFs.

A large part of our growth in Europe is coming from Germany, because this is the most dynamic, of course, with the U.K. as well, the most dynamic country in Europe.

Nicholas Herman – Citi- Analyst

Thank you very much.

Cyril Meilland

Thank you, Nick. Next question from Sharath Kumar from Deutsche Bank. You should be able to open your mic, Sharath.

Sharath Kumar — **Deutsche Bank** — Analyst

Yes. Thank you. Good morning. Hope I'm audible. Thank you for taking my question. I'll ask three, please.

Firstly, on **financial income**, can you state how much is the seasonal component? You mentioned some dividends and market impact. More broadly, what is the sustainable run-rate for financial income?

Second, **Asian JVs contribution** was up +10% year-on-year. I imagine India would be weaker than this run-rate given rupee depreciation. Can you give us a breakdown of the main markets to understand the underlying momentum in various geographies?

Lastly, another one on **India**. How are flows tracking, given materially difficult backdrop and underperformance versus other emerging markets, to understand the outlook for India flows. Thank you.

Nicolas Calcoen

On the **financial income**, I don't have the detail in mind, but as I said, usually we have dividends coming in the second quarter, so it represents a few million euros. The main component explaining probably this level of results, given the low rate environment on this quarter, was the positive market effect. I would say probably close to half of the level we got on this quarter, which kind of gives you an indication of what it can be on a recurring basis.

Second question was about the growth in the **contribution from JVs**. There's of course a contribution from India, despite the very negative market, sorry, exchange effect if you compare to last year. To be noted as well, good contribution from Korea in a context where the market has been particularly high in the second quarter, as you know.

The third question was about the **activity in India**. It remains positive quarter after quarter. We are very, for all the reasons Valérie indicated: the long-term prospect coming from the development of the financial market, the development of investment from Indian retail clients in funds, and the prospect coming also from the need for retirement, we are very positive on the long run on the continuation of the very positive dynamic momentum of SBI FM.

Valérie Baudson

Excluding, of course, as you reminded, the EPFO effect that you all know and that will happen probably by the end of the year, but which, as you know, has absolutely no impact on our profitability.

Sharath Kumar

Thank you.

Cyril Meilland

Thank you, Sharath. By the way, we had the market share for ETF in Germany. It's 13.6%, very close to —

Valérie Baudson

It's actually our European market share or very close to. It's even maybe a little bit above.

Cyril Meilland

It's above, yes.

Valérie Baudson

You see, we have a market share in ETF in Germany, which is higher than our global market share in ETFs in Europe. Good confirmation.

Cyril Meilland

We do not seem to have any new question, and no hand raised. We can maybe call it a day. Okay, no second thoughts?

Thank you very much and have a great summer. Have relaxing holidays. I think that the last days, including tomorrow, have been very busy with a lot of earnings just before the summer break. Enjoy your vacation and talk to you in September.

Meanwhile, I'm still here until the end of next week, so do not hesitate to ask me questions or send me emails.

Thank you very much.

Valérie Baudson

Thank you so much.

Nicolas Calcoen

Thank you to all.

Valérie Baudson

See you soon