

Goldman Sachs European Financials Conferences 2024

In-depth conversation with:

Diego De Giorgi, Group Chief Financial Officer, Standard Chartered PLC

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(Amended in places to improve accuracy and readability)

<<Gurpreet Singh Sahi - Financial analyst, Goldman Sachs>>

Welcome Diego to the Goldman Sachs European Financials Conference. You've been CFO at Standard Chartered for six months now, but you've been in banking for a long time with lots of experience. Let's start from NII, how do you see the 'higher-for-longer' rates backdrop impacting loan growth and deposit passthroughs, and how are we progressing relative to your FY'24 guidance?

<<Diego De Giorgi – Group Chief Financial Officer, Standard Chartered>>

So great to be here with you all. We've thought about what 'higher for longer' means for us; and the problem is, it hasn't been 'higher for longer' for a very long time, so what impact it'll have on us still is not very clear yet. While in WRB (Wealth & Retail Banking) pass through rates seem okay; in CIB (Corporate & Investment Banking), of course, at this point pass throughs [rates] continue to tick up. And for us the income we derive from CIB in NII is substantially larger than the income that we derive in NII from WRB. So from that point of view, that dynamic, which has been clearly a great fillip for us, is less so today, while remaining obviously positive and while remaining completely supportive of the guidance that we have put out of \$10bn to \$10.25bn of net interest income for this year.

Vis-a-vis volumes, we are guiding to low single-digits growth of loans and advances from customers, and a similar level for RWAs. That guidance was predicated in our mind in a very slow start at the beginning of the year and a substantial acceleration in the second part of the year as rates were supposed to come down.

As that pattern has shifted, we have actually been surprised by the fact that the green shoots that we have seen in Q1 in terms of the loans and advances have continued in Q2, and maybe we can spend some more time later. But volume growth that is compatible with us, that is supportive of us achieving low single-digits loans and advances growth is already there.

Today up to this moment, and there's the entire afternoon to go, I've seen 27 of you, I've counted, I think I can safely say that there isn't a lot of consensus in terms of where rates are going and I think we are going from one ECB / Fed announcement to the other. So we'll see what the future has in store for us in terms of volatility of rates.

<<Gurpreet Singh Sahi - Financial analyst, Goldman Sachs>>

Sure. Very encouraging on the loan growth. We should definitely dive into that later on, as you say. Just moving down then, non-interest income, a very strong start to the year, more than 20% growth at the core and then driven by Wealth has one of the drivers. So with the Chinese market stabilising, does that have any effect and what has been in general Wealth follow through after the first quarter, very strong start?

<<Diego De Giorgi – Group Chief Financial Officer, Standard Chartered>>

So Wealth is the gift that keeps on giving because the start of the year was strong, and Wealth by the way is a business for us that exhibits a reasonable level of seasonality. It's even more seasonal than in Markets, but Wealth is seasonal. People tend to reassess their asset allocation and make a number of decisions at the beginning of the year, also on the basis, of course, of what they have been paid for the

previous year. And as you know, I never get tired of reminding people, our Wealth is largely an Affluent type of wealth, as opposed to an ultra-high net worth and high net worth type of Wealth, although we also have obviously the private bank that caters to that.

So within that, the Q2 is developing in exactly the same way as Q1, same type of rates of growth. And that is very encouraging. It's very broad-based, markets are somewhat supportive. Over 70% of the products we sell in Wealth Solutions are really products that are not directly linked to the direction of the market. Think Bancassurance, think Managed Investments, think some of the treasury-type products. And so in this kind of environment that is relatively low volatility, but neither particularly positive nor particularly negative from a consumer perception, from an investor perception, that has worked well.

What is also working well are the leading indicators. So New to Bank and Net New Money, both in terms of absolute numbers during Q2 and also in terms of the composition. Particularly for the Net New Money, we have flagged in recent quarters that increasingly at this stage in the interest rate cycle, Net New Money comes in, not so much as it used to come in during 2023 and, to an extent, in '22 in the form of deposits, but increasingly directly in Wealth Solution products. And that has continued. And today 70-75% of what we bring in terms of Net New Money comes in straight in the form of the Wealth Solution products, which obviously is helpful to our margins.

<<Gurpreet Singh Sahi - Financial analyst, Goldman Sachs>>

Great. Super encouraging. And let me remind audience that Bill and Diego set a plan to get \$80 billion of Net New Money over the next three years, of which in the first quarter we already achieved \$11 billion, so above target per se.

<<Diego De Giorgi – Group Chief Financial Officer, Standard Chartered>>

And we continue at that kind of pace.

<<Gurpreet Singh Sahi - Financial analyst, Goldman Sachs>>

Excellent. Then moving on, another strong feature of the recent results was the Markets and Banking, very strong start to the year, up in the high teens growth, somewhat not expected by the market and so positive for the share price. What is the traction that we are seeing on the Markets income and then the pipeline within the Banking?

<<Diego De Giorgi – Group Chief Financial Officer, Standard Chartered>>

So I've had confirmation from not all 27, but from any of those 27 that we've met today and the others that we've met over the weeks, that the RNS that we put out separating our Banking business from our Markets business has been well-received because I think it gives a much better picture of what the dynamics of those businesses are. There were a fair number of non-specialists out there among the investors that really thought we had a \$5 billion trading business. And that is not the case.

The Markets business is going well and we are happy with where it's going and it's coherent with a good year. The Markets business will soon face a very tough comparator in the second quarter Markets business of last year, which was up 15%. So we can't expect that same kind of growth and it will be fundamentally flat year-over-year, but that is on very good numbers, so that is fine and we are happy with momentum. It's pretty widespread.

Within the same type of pattern to the pattern that we flagged during our Q1 results, i.e., it's a low volatility environment, broadly speaking, with some spikes and you have to be able and agile to capture those episodes. We've had a couple in the last few days around the footprint, one in particular, of course, and that remains the case.

The Banking business has continued to execute well. I'm in the house of someone with a very large banking business that vastly dwarfs us and so I listened to my former boss and forever friend, your CEO, when he talks about how the markets are evolving and how the pipeline is evolving in our own smaller patch. The pipeline was excellent in Q1, we have executed on that pipeline. The pipeline for Q2 has built on the same levels, if not better, than the pipeline for Q1 and so we're continuing to execute on that.

And for as much as people like to talk about long lead pipelines, having also run a Banking business, I know that pipelines build quarter to quarter. So I'm very happy to see how it's developing and I don't obsess excessively with the very, very long distance, but I would say that Banking is doing well and it's doing well across the various type of products, ranging from leverage finance to subscription finance to shipping, transportation, trade, all across. Trade is, by the way, one of those small green shoots, but maybe if we'll have an opportunity to touch upon it.

<<Gurpreet Singh Sahi - Financial analyst, Goldman Sachs>>

Sure. Excellent. Then, of course, a feature of what you have imprinted your signature within the bank in the first few months is the Fit for Growth program. How has the progress been? I remember we said there's a few projects that we have already outlined at the first quarter and how would this bring down the sustainable cost level that we have?

<<Diego De Giorgi – Group Chief Financial Officer, Standard Chartered>>

Absolutely. So first of all, and for reasons that will become apparent as I walk you a little bit through how for Fit for Growth is evolving, one of the great characteristic of Fit for Growth within our organisation is that it has become a grassroots movement. It's become a grassroots movement because Fit for Growth is not a headcount reduction program. It's a transformation program. We have right-shored ourselves to a large extent. We operate across a footprint that is very varied between high cost and lower cost locations, et cetera. So the program is truly about transforming the way we do business so that it becomes a better place to do business with us and it becomes a better place for our people to work in. And that is very important because that also fuels things like the high NPSs (Net Promoter Score) that we have in our Affluent Wealth Management business, for example, where we've gone from scoring really low to being top NPS scoring a 9 out of 10 in our top Affluent markets.

So it's become a grassroots movement because as of today, there's more than 200 initiatives that are being scoped. We are analysing them in waves. The first two waves have already hit, one in April, one literally a few days ago, and we have a third one that comes due at the end of the summer. Obviously the later the project, the broader, the longer time-to-completion, et cetera. So the first projects are the most tactical ones all the way to the larger ones. Very importantly, the fragmentation of these in terms of these projects is very encouraging. We have projects that range from a few hundred thousand dollars all the way to the largest one is just north of \$50 million. That's great from two points of view.

One, because it reinforces the fact that it's a grassroots program. You don't set out to do a transformation program, where as the CFO, you say, "we should save \$200,000 here". You want a lot of those by all means, but it's difficult to spot the \$200,000 opportunity. The \$200,000 opportunity gets spotted only by the person who has the piece of paper in their hand and is processing it every day and looks at it and says, "no there has to be a better way of doing this, there has to be a better way". And so that is the first reason why it's good.

The second reason is because it de-risks the implementation of such a project. It's a \$1.5 billion project. If you have too many big rocks, those rocks can be very tough to crack. Much better to crack a lot of smaller rocks and achieve the same result. The programs, as I said, range from everything. There is a very large number of programs that have to do with the straight through processing of some of the functionalities, the moving to the cloud of many of the things that happen in the branches. There is a huge push towards the standardisation of what we provide to our customers or to our colleagues. We have a color palette at Standard Chartered, it's blue and green. If someone wants a red button on their digital interface, the answer is "no, I'm sorry". It's blue or green and it's blue or green across the globe. It has to be done that way because we have a very broad swath of operations and we need to make sure that they are done in the right way.

So overall, very encouraging, very grassroots, very granular. Therefore, showing that grassroots nature and de-risking it, no change in terms of how we think it will progress. Some smaller part of the cost to achieve we will incur this year, the vast majority, it will be next year with a meaningful tail in 2026, and the saves to be realised through '25 and '26. And as we realise those saves and after we bank a meaningful

portion of those saves, while we have already started asking ourselves the question of how we will reinvest the fruits of Fit for Growth in part, then at the time we will start thinking about how we further invest to further growth.

<<Gurpreet Singh Sahi - Financial analyst, Goldman Sachs>>

Okay, great. Then switching gears to growth opportunities from cost. Can you talk about the balance sheet growth opportunities as rates remain higher for longer, and touch upon what you're seeing in Hong Kong also in particular?

<<Diego De Giorgi – Group Chief Financial Officer, Standard Chartered>>

So we've already touched upon the broad effect of higher for longer and how its impacts are becoming a bit more muted as rates have stayed higher for much longer and we see where they go from here. As we discussed at the beginning notwithstanding that, we are seeing green shoots of growth and the green shoots of growth in terms of the loans and advances fall into two camps.

The ones that are coming naturally and some where we are pushing in order to get some additional growth. A good example is Trade that naturally has been sluggish in recent times. The forecasts are for a better trade environment as the year progresses. Within that, we are making a push to see whether we can grow some balances there because we know that those balances are a fantastic first hook into customers or additional hook into customers and come with a lot of cross-selling.

Allow me to go for a second off on a tangent, but it's a tangent that came up many times with many of the people that we met this morning and I'm sure will happen again this afternoon. I think it's worth talking about it in a broader group. There is a lot of discussion about de-dollarisation, the fragmentation of trade routes and what does that do for a bank like us. While it's easy to fall into the thinking of, "but fragmentation of trade has to be bad, there will be less trade". The answer is, it's not that there is going to be less trade, it's the trade will be more complicated. It will have to find different avenues. It will be more fragmented, it will be more difficult to implement. That is not necessarily a negative. That is actually one of the reasons why we have the network that we have. It's a reason why we are a global bank in terms of products and reach and in terms of client base. But we are a local bank in terms of being able to deliver those within the local context. That fragmentation plays to our advantage.

And that fragmentation when it's coupled with a phenomenon of which we are one of the poster children, if not the poster child, which is the de-dollarisation of some of these flows of trade, that is also an important component. For us, the growth of the and renminbi internationally is very important. And in a quarter like the last couple of quarters where the volatility of emerging markets foreign exchange pairs has been very muted, it's one of the reasons why our Flow Markets business continues to grow because people orient themselves to do the same things that they did in the past in a slightly different way. That way is complicated and we are there to facilitate that. When trade doesn't cross the Pacific to go from China to the US but goes south, we exist at both ends of that trade and that is clearly an advantage for us. Sorry for the slight tangent, but it came up again and again in some of the most interesting questions we got this morning and it made us think, and I wanted to share it a little bit more broadly.

So within the balance sheet, we continue to believe that we're going to be seeing low single digit growth of the [customer] loans and advances. We do believe at this point with the kind of return on risk weighted assets that we have achieved, the bank has gone through a massive transformation from that point of view. We've gone from 2% return on risk weighted assets in CIB to 7-8% plus return on risk weighted assets. At these levels, putting on risk weighted assets in a judicious way without pandering too much to the relationship managers who would always add risk weighted assets to almost any cost, is a good thing. Is a good thing for producing sustainably higher returns, which is what we have promised you, the investors, that we will produce.

That obviously needs to be well-balanced with ensuring that you maintain a healthy ability to distribute capital to investors at a time when our valuation is where it is. There is only one thing in terms of putting our money once you have invested enough to make sure that you produce those sustainably higher returns, there's only one thing that beats buying back stock at a fraction of book and it's embarking in a

program that reduces costs permanently. We've done that and we have discussed it with Fit for Growth. We need to continue to return capital to shareholders.

Within that context, we think we manage our risk weighted assets very actively. We had seen an uptick last quarter. This quarter risk weighted assets will be in-line with last quarter. The market risk weighted assets in particular that we had put on in order to help our clients access certain of the opportunities in the Markets business have come off, others are going to come on. And if anything, probably we will have a little bit more of credit risk weighted asset growth rather than market risk weighted asset growth this quarter, all other things being equal, but within the context of flat risk weighted assets quarter on quarter. Our ambitions remain the same in terms of returning capital to shareholders, managing ourselves in an agile way, within our CET1 range, we were at 13.6% in the first quarter. We continue to plan to use the latitude that CET1 range offers us.

<<Gurpreet Singh Sahi - Financial analyst, Goldman Sachs>>

Great. A quick follow up on that is you mentioned green shoots with respect to growth opportunities, but then still we have that capital return plan and investors do expect, at least as per consensus is pricing in \$7-8 billion over the next three years, cumulative between buybacks and dividends. We have more than \$5 billion that we said. How do you balance between the two, the growth opportunities versus the need for capital return with the upcoming finalisation of Basel [3.1] also next year should have some impact on risk weighted assets.

<<Diego De Giorgi – Group Chief Financial Officer, Standard Chartered>>

We've guided to up to 5% [of RWA], which we think is a pretty conservative assumption, but we like being conservative. The \$5 billion of returns of capital is a creature of two things. One, there is an element of conservativeness that comes from "it's good to be at the margin conservative" especially by the way that you've said, I've been there for a few months, it's good, particularly at the beginning, to make sure that you deliver on what you have promised. But importantly, there is a second factor, which is in 2025, not in 2024, but in 2025, there are competing demands for our capital. You've mentioned one, obviously, the Basel 3.1. We were hoping for the Basel 3.1 rules that we had been promised, that they would be out before our first half [2024] results are out.

Now, unfortunately, another one of those elections that are proliferating around the world is putting itself in the middle of the delivery of that. And so probably, we will have them a little bit later. But there is Basel 3.1. And then of course, there is, as we just discussed, the largest portion of the cost to achieve related to FfG. We think those are manageable headwinds that will allow us to exceed the \$5 billion in terms of returns that don't require pre-hoarding of capital in any particular way.

First quarter was obviously seasonal and nice and flattered by a couple of notable items that we called out, but in the first quarter, we produced 60bps (basis points) of CET1. If you think about an ordinary ability of this bank to produce CET1, I would say north of 150 and south of 200 (bps), and those are healthy numbers. We can handle all of the competing objectives, and we do need to continue to produce sustainably higher returns. Because if we don't, the cost of equity doesn't come down. If, in a fictional world, we return 100% of what we produced, that would be fantastic from certain points of view, but it wouldn't shrink the cost of equity. We also need to shrink that.

<<Gurpreet Singh Sahi - Financial analyst, Goldman Sachs>>

Yeah. I'm conscious that there's a good audience joining us and we need to leave room for Q&A, but then let me have one or two more.

Can you talk about cost growth specifically for this year? For audience benefit, the management has guided for 3% CAGR over the next three years of cost growth. But then specifically with higher for longer and very strong revenue delivery this year, how should we think about cost growth for this year?

<<Diego De Giorgi – Group Chief Financial Officer, Standard Chartered>>

So when we decided that the natural continuation of the path of constantly managing our costs carefully, but largely reinvesting the cost cuts that we were creating, the cost saves that we were creating, had to

morph into a truly transformational program like Fit for Growth where we are going to reduce permanently, the cost base of the bank. We asked ourselves, "What is the best way to embody that in terms of guidance and in terms more importantly, as a CFO, of discipline to be imposed internally?" And the natural tendency, the knee-jerk reaction in a bank, is cost-to-income ratio.

And cost-to-income ratio is a nice thing, but cost-to-income ratio absolves you of your sins, speaking like a Catholic in a very Catholic country like this. This one absolves you of your sins if your revenues grow fast. We decided to go for a more demanding way of imposing cost discipline on ourselves. We imposed on ourselves an absolute cost cap of \$12 billion in 2026, which equates to the 3% CAGR of costs over the three-year period from the \$11.1 billion that we ended the year 2023 in terms of costs. And the way to think of it, is we are coming from an elevated level of cost inflation.

So this year, we will be higher than the 3%, particularly because Fit for Growth won't show its effects, as we've said a few minutes ago, until next year. As a consequence, it will be higher than 3% this year, and then it will be lower than 3% in the next two years. Higher for longer and the overall impact are all factored into how we think of it. And if there was a need to pull more levers, we will pull more levers. It's also very true that if our business has knocked the ball out of the park, I am sure you all, as shareholder, those of you who are shareholders, the others please become [shareholders], those of you who are shareholders will have no problem with us remunerating the people that have produced results that are in excess of what we are guiding to.

<<Gurpreet Singh Sahi - Financial analyst, Goldman Sachs>>

Okay, excellent. With that, let me open up the floor to potential shareholders for questions. Any questions in the house? No? All clear? I can carry on, Okay.

<<Diego De Giorgi – Group Chief Financial Officer, Standard Chartered>>

Gurpreet is never lacking in questions.

<<Gurpreet Singh Sahi - Financial analyst, Goldman Sachs>>

Since I'm based in Hong Kong, wanted to ask this regarding China. With all the things that are happening in China, the policy put, the geopolitics, the tariffs, how are we seeing our China business unfolding this year?

<<Diego De Giorgi – Group Chief Financial Officer, Standard Chartered>>

So the answer is pretty well, in the sense that you think about it in the last two quarters, fourth quarter of last year and first quarter of this year. Our onshore business in the face of what is obviously a pretty hard cyclical slowdown in China. Now, may all the cyclical slowdowns always come with 5% GDP growth, but it is a cyclical slowdown. And particularly, on the consumer side, obviously. Our onshore business has been doing well, and during the course of Q2, has continued to do well. The important thing to remember of course, is that for us, that onshore business is about 1/3rd of our China business, 2/3rds is the offshore business. And when you think about our client base, the example that I use and maybe I overuse, so some of you in the audience unfortunately will have heard it at least once or twice, is our natural client in China is not the SOE in Tianjin that does cement and sells via trucks 150 kilometers from Tianjin.

It's largely the POE in Shanghai that sells widgets. When the economy is weak in China, the POE has the ability of actually accessing the international markets. And when they do so, it used to be that they would cross the Atlantic, as I said before. Now, they go south. So for us, it's good. There are many scenarios of mild discomfort in China that actually, in terms of our client base and the opportunity to sell and cross-sell and upsell are very, very good. Now, obviously, the data out there show you that while production is doing well, the consumer side is doing less well. Having said that, you've seen in our Wealth Management numbers, that they continue doing well. So we are navigating that seemingly adroitly so far. And the noises that come from China, while still probably at the margin, no one is taking out the bazooka in China in terms of policy.

But if it's not the bazooka, it's also not the pea shooter. We are hearing more and more about the initiatives on the commercial and the residential real estate. The size might be relatively limited, but

direction wise, they go in the right direction. And showing a direction in an economy that has certain elements of control shows what is the intended direction of travel for that economy. And we are seeing them increasingly in areas that had been neglected before. The pronouncement by the top authorities on things like the youth unemployment clearly hint at a desire to not just help on the production side, but also help on the consumer confidence side. So that's how we are seeing it, broadly speaking, in China.

In Hong Kong, the situation is not dissimilar in terms of the real estate market that is important in Hong Kong. The real estate market, of course, on the residential side, is largely protected by the caps on loan-to-value that make things like negative equity mortgages a very seldom occurrence in that market, notwithstanding the declining residential prices. And on the commercial side, even though there is still a gap between demand and supply, it's true that the local authorities in Hong Kong are, if anything, and the HKMA and the government, are leaning more into finding solutions in ways that are in excess of what's happening on the mainland. So, all in all, do we see a restarting of the mortgage machine in Hong Kong? No. It is uneconomical for us to do that. It will take some more time. But the Hong Kong environment is at the margin, better.

<<Gurpreet Singh Sahi - Financial analyst, Goldman Sachs>>

Great. It's good that we are talking about this at the end, it tells you the state of the bank. It's impairments.

<<Diego De Giorgi – Group Chief Financial Officer, Standard Chartered>>

Impairments. Yes, it's good when it's not the leading question.

<<Gurpreet Singh Sahi - Financial analyst, Goldman Sachs>>

Yeah. And you kind of touched upon it with Hong Kong residential. But outside of Hong Kong residential, especially in the corporates, are we seeing any early indicators, higher for longer, impacting our corporates?

<<Diego De Giorgi – Group Chief Financial Officer, Standard Chartered>>

So this is one of those things that as a CFO, you dread saying, "No, we don't." Because the immediate report is, "Oh, you're not looking hard enough" because you're the CFO, you're supposed to see them. So trust us, we look into it really hard, and not just me, but the CRO and the CEO and everyone. The reality is we don't see much in Corporates. Now, it's true that at this point the cupboard of releases is running threadbare, so there aren't that many releases. So please don't expect that every quarter it's net nil [impairments] in CIB because, by the way, it's unnatural and it shouldn't be that way because probably at that point it means you're not taking risks the right way, in a different way.

But, it's true that in the Corporate world it's difficult to see where the stress would come from. Corporates have arrived to the current state, to the current moment in a much better state than they have arrived in previous type of crisis in terms of lack of leverage, in terms of liquidity, in terms of the way that the markets are structured, in terms of the alternative sources of liquidity to the banks, by the way, exist for corporates. And that creates that particularly good environment.

In Wealth and Retail (Banking), the current levels at which our impairments are running we continue to guide to the fact that that is probably a good run rate to think of in terms of our Wealth and Retail (Banking) impairments, and small in the grand scheme of things. But important for us to make sure that we show that we can calibrate our activities in some of our most innovative areas. The Mox impairments that had been running higher because we had experimented with different cohorts and with different credit standards as we found out that that didn't lead to the desired results, we have retightened them, refocused them, those impairments will come down. By the way, the machine of origination is restarting on this new basis, which is important because obviously we have an important appointment with destiny, which is Mox becoming breakeven during this year and then Trust following next year. I met with the CEO of Trust yesterday before coming here, and Trust is going from strength to strength on the back of both of our strength and the strength of our partner, which is an excellent partner to have in a city-state.

<<Gurpreet Singh Sahi - Financial analyst, Goldman Sachs>>

Great. Let me check if any questions from the audience again. No. So one thing that comes up while you are speaking in my mind is impairments, we don't see issues. Revenue is going in the right direction, growing as we guided, and maybe at the top-end, maybe more. Capital, we have decent capital position. So why aren't we targeting a higher balance sheet growth? Why mid-single digit, low now, gradually mid later on? Can we grow? This is one of the questions I've always obtained from investors regarding the coverage that StanChart is an emerging markets bank. It should grow faster. So, answer that please.

<<Diego De Giorgi – Group Chief Financial Officer, Standard Chartered>>

So I think that you are right. If you look at what is the average rate of credit growth in our footprint, broadly speaking, it's almost smack in the middle: it's about 5%. So that is natural. And a bank like us in the long run ought to grow roughly at the rate of its footprint plus something. We are not at that point right now. It's clear that we're not at that level of demand. Nothing stops us in the future if that demand is there and it can be tapped productively in terms of return on risk-weighted assets from doing that. But, it's really important that for as long as our valuation is where it is, that is very carefully balanced with the return on capital to shareholders. But you are right, there is nothing that impedes that in the future. Today, we're definitely not there in terms of footprint growth, but might.

<<Gurpreet Singh Sahi - Financial analyst, Goldman Sachs>>

And then looking medium term as a follow-up to that, would you be looking at doing more Corporate? You mentioned Trade as one of the areas of potentially inflecting and growing. Would there be unsecured Retail as another one? Talk to us on those.

<<Diego De Giorgi – Group Chief Financial Officer, Standard Chartered>>

So I think that on the CIB side, Corporates are important, but we remain very focused on making sure that we achieve at least 50/50 with Financial Institutions because Financial Institutions have a number of advantages. They have even better margins. They are, in our definition of Financial Institutions, let's always remember that if you think, let's use our Markets business for simplicity, if 50% of it, slightly north of that right now, is Corporates and the other 50% is Financial Institutions, within that 50% of these Financial Institutions, roughly two-thirds are Banks and Broker Dealers, and one-third is Investors. So within Financial Institutions it's higher margins. It's still a very highly visible recurrent set of Flows, which obviously we value a lot. Sometimes investors don't value them as much, but we certainly value them a lot. Although there are exceptions, but generally speaking, a better impairment outlook in the long run across the cycle, choose whatever you want, between doing Trade or doing Banking with a bank versus doing trade or doing Banking with a corporate. So that remains an important focus.

On the Retail side. If you remember one thing about Standard Chartered, Standard Chartered is a cross-border Corporate and Investment Bank, and then Affluent Wealth Manager. That's what it is. So within Retail, Affluent is the core of what we want to do, and that remains important. Unsecured, Credit Card, Personal Lending is a tactical thing. You don't graduate from that into your Affluent categories. There are places where you can do it very efficiently, very effectively. Some of our digital Ventures where we have partners that have large and very differentiated cohorts of Retail that we can choose from with huge data support to inform the underwriting decision and in many cases with participation to the risk with us, that remains important. But the core of our franchise is and will be the Affluent Wealth Management business.

<<Gurpreet Singh Sahi - Financial analyst, Goldman Sachs>>

Great. The clock has turned red.

<<Diego De Giorgi – Group Chief Financial Officer, Standard Chartered>>

The clock has turned red by one minute and twenty-two. So I thank you for taking the time and I look forward to seeing more of you this afternoon and some of you I saw already this morning.

<<Gurpreet Singh Sahi - Financial analyst, Goldman Sachs>>

Thank you, Diego.

<<Diego De Giorgi – Group Chief Financial Officer, Standard Chartered>>

Thank you for taking the time. Thank you.