

**Goldman Sachs European Financials Conference, Zurich
Wednesday, 3 June 2026**

**In conversation with:
Manus Costello, Interim Group Chief Financial Officer, Standard Chartered**

(Amended in places to improve accuracy and readability)

Melissa Kuang, Goldman Sachs:

So, thank you everyone for joining us today. I'm delighted to welcome Manus Costello, the new interim CFO of Standard Chartered. Congratulations on your appointment.

Manus Costello:

Thank you.

Melissa Kuang, Goldman Sachs:

So, Manus joined Standard Chartered in 2024 as the head of Investor Relations, and previously he was the founding partner of Autonomous. So Manus, in terms of the Investor Day in Hong Kong that you have done, you've laid out some strategies in the midterm, and also we'll focus on some of the divisions and what you'll be doing there.

But in terms of getting to those plans, we'll get to them shortly, but can we look a little bit more near term and what's happening? 1Q was very, very strong, as we've seen, 9% in terms of operating income growth. How has that work out in May? What are we seeing? Are we still seeing the same momentum? Or are we looking at cooler trends, and what are you expecting in June and July?

Manus Costello:

Sure. Well, first of all, thank you very much for inviting me. Thank you very much for attending the investor event in Hong Kong a couple of weeks ago as well. I hope you found it useful. As you mentioned, we had a strong first quarter. Our income was up 9%, and we saw a diverse array of different growth opportunities that we were able to take advantage of and deploy into.

And as we've continued through into the second quarter, much as we said at the time of the first quarter, and as we updated on when we were in Hong Kong, a lot of those trends have continued, and we've been quite happy with the momentum of the business overall.

So, the markets business saw strong flow income in the first quarter and activity on the flow side has remained decent. It's remained good during the course of the last couple of months, and we are comfortable with our position there, both in the near term and the long term.

We did flag, at the time, that the episodic income that we generated in the first half of '25 set us up for a more difficult comp in the first half of '26. And so, a more subdued outlook year-on-year for episodic income is in line with what we'd said previously, and in line with where we are expecting at the moment as well.

Our banking business had a very strong first quarter. We're happy with the strength of that business, the health of the origination that we're seeing. There's some good momentum within the banking business.

And then of course Wealth, which I'm sure will come on to discuss in more detail later. We had a very strong first quarter. We had very strong net new money. We had very strong client activity. The conditions which generated

that remain in place. We are still seeing good levels of client activity. We're still very pleased with the momentum of that business.

The first quarter, we said it at the time, and I'd reiterate it again, that absolute amount of net new money that we generated in the first quarter isn't a number that should necessarily be annualised as a run rate, but the flows and the activity levels in that Wealth business remain very healthy.

The only extra caveat that I would add is that we did flag that in the second quarter of last year, we had a gain in our ventures business. So when you're thinking about how our second quarter develops year over year, bear in mind that we had a \$240 million gain that we booked in our ventures business in Q2 last year, which is not expected to repeat this year.

Melissa Kuang, Goldman Sachs:

Right. So on that note, in terms of 2026 targets, you're still guiding to the low end of the 5 to 7% range. So as you explained earlier about the gains, is that one big reason why we're still at the low end of the guidance? Or are there any other things that you are concerned about macro-wise or business-wise that's not allowing you to kind of move your guidance?

Manus Costello:

So, we're only, not even halfway into the year at the moment, and we will obviously provide further updates as the year continues. But yes, we did say at the time that a combination of those two factors that I mentioned already, the gain in the ventures business and the very strong episodic income in the first half of last year, meant that as we came through Q2, the year-on-year trend of that top line would come up against those challenges versus last year. So those are exactly in line with what we said previously.

The other factors that I think you need to bear in mind are on NII. We've guided that we expect NII to be broadly flat, and we maintain that guidance. And that is a combination of factors driving that, including the fact that the interest rate environment remains broadly unchanged versus where it was. And we have, as you well know, some of our WRB, our retail portfolios we are divesting of and exiting some of our unsecured relationships, which means that we'll have about a 2% headwind to NII as we come in through the full year, and that will continue to pick up through the second half of the year. So that is something you need to bear in mind.

And then, look, as I said, we're not even halfway through the year. The global environment remains volatile and uncertain. We're confident and comfortable with the start we've made to the year, but we don't think it was the right time, either with Q1 or with the investor event, or now to change that guidance for the year.

Melissa Kuang, Goldman Sachs:

Right, right. Thank you. So Wealth has been a big topic, and we hear things in Hong Kong that's developing. So maybe we can turn our attention to Wealth a little bit more. As you mentioned, the 1Q net new money was pretty strong, and we shouldn't look at it and take it going forward.

But if we look at in terms of activity levels, the ADT levels in Hong Kong Exchange, SGX is still remaining very robust despite what happened, even June data, June 1st, June 2nd was still very, very robust.

So, in terms of these flows, and in terms of what's happening in this space, maybe can you give us a little bit more comment, and do you see any impact from the additional regulatory focus?

Manus Costello:

Sure. So, I think there's a number of different points about the business in there, just to take a step back and to remind people of the business structure within our Wealth business, and why we think we've done very well so far.

So, of our net new money that we generate, about 60% is generated from what we call international customers. So those are customers who are booking money with us not in their domicile, and 40% is generated domestically. And that international flow has been significant, and has really been able to help us drive that business forward.

The business overall is benefiting both from that continued trend, and we'll come on to discuss that if you want in a bit more detail later, but also from the strong platform that we built over the years. And that platform includes our very well-trained and very effective relationship managers.

It includes the open architecture product suite that we've got, which we think is somewhat differentiated, and which enables us to curate products, and design and sell products very effectively. And of course, we've got a very good technology architecture in place.

And if you put that against what we call our client continuum, so the fact that we have clients across the different range of wealth where we can migrate clients upwards through that client continuum, it provides us with what we think is a very strong platform to take advantage of those good trends that we're seeing.

Specifically, to your point about client activity in the second quarter, yes, client activity, you mentioned exchange volumes. We're not directly correlated. We don't have a huge trading business, cash equity trading business per se, but that indicates the fact that sentiment has been positive, and activity has remained good during the course of the second quarter.

So I think I would place the strength that we've seen in the first quarter and the continued activity that we're seeing in the second quarter in that broader context of the platform that we've built over time.

Melissa Kuang, Goldman Sachs:

In terms of the regulatory need to do a bit more KYC that you need to do, does it kind of slow the net new money inflows? Would we see a slowdown first before we start picking it back up once everybody's get used to it and a bit more comfortable?

Manus Costello:

So, perhaps just to make sure that everybody's aware of what Melissa's referring to, the CSRC, the Chinese Securities Regulator, took some actions about 10 days ago in the brokerage space for offshore funds for mainland customers, and the HKMA followed up with some circulars about activities, or actions that the banks would need to take in order to ensure compliance.

I think the first thing to say is that the majority of what's being looked at is in the brokerage space, not in the banking space. That seems to be the thrust of the focus. Secondly, if you look at the kind of actions that the regulator is asking to take, our existing policies are very much in line with that.

So, we're very careful about how we open new accounts. We're very careful about the client documentation that we have in opening new accounts. We're very careful about making sure we understand the source of funds. We have very close transaction monitoring, and we make sure that we comply very carefully with the marketing of our activities, our offshore activities on the mainland. So, we are very much directionally aligned with the circulars that have been put out.

That said, there are some additional things that have been asked of the banks. So for example, the banks have been asked to close zero balance accounts that have been around for a while. The banks have been asked to get some client attestations about sources of funds.

And so there is some stuff that the banks will need to do and that we will need to do, but we're very confident that our policies have been tight and that we are in the right place already. And we do also want to remind people that of the money that we generate from what we call the Global Chinese - so I said previously that 60% of the net new money that we generate is from international clients. About half of that, so 30% is from Global Chinese. The vast majority of that Global Chinese money is already sitting offshore. So, that would not be impacted at all.

So we are obviously taking it very seriously. We're obviously reviewing our policies, procedures, and making sure that we're compliant. We haven't seen any impact so far, and we don't think it changes the picture from what I was explaining to you previously about the way our business is set up.

Melissa Kuang, Goldman Sachs:

Right, that's good. So moving on to CIB, I think we also hear a few circulars coming through on the Chinese side for that. Maybe we can address that as well within these questions.

But also, in terms of the CIB, we've seen a bit of softness in the transaction services portion of your CIB in the first quarter. How do you think about the growth trajectory of this business?

Manus Costello:

So, let me take the transaction banking piece first, and we can come back to the more recent decrees, if you want, later on. Our transaction services business is comprised of a range of different businesses from cash management, payments and liquidity, our security services business. The biggest source of income that we generate from that is net interest income, and that's mostly net interest income generated from the liability base.

And the reason that we have seen pressure on the transaction services businesses overall over the last couple of years, it's been down in '24 and down in '25, and it was down in the first quarter of '26 as well, is net interest margin pressure. It's simply an effect of yield curves coming through and NIM pressure flowing through into that business.

Actually, some of the other elements of the business, fee income from things like security services, fee income from things like FX transactions has been growing quite well. It's just a smaller piece of the overall pie in terms of the revenues in transaction services.

As we go forwards, it will align more closely with our net interest income outlook. So, the curve is looking like there is less pressure. There is pressure this year. The pressure will abate towards the end of this year and into next year.

And if you look at what is driving the underlying structural growth of that business, the liability base, our core operating deposits, have been growing at around a mid-single digit rate, and that's something which we think we can continue to grow, we would hope. And we think we can grow fee and come off the back of that as well.

So, once we get through that piece of the NIM compression that we've been seeing, and as our hedging starts to take more effects, and as the yield curve has less impact, we should see that business return to growth.

All of that said, we have laid out at the Investor Day that we do expect our non-interest income businesses to grow more quickly than our net interest income businesses. So we will still expect to see higher fee growth and NII growth across the bank for the next couple of years.

Melissa Kuang, Goldman Sachs:

So, you highlighted deposit growth. I just wanted to understand, I mean, we are an environment where liquidity is very strong at the moment, so deposit growth seems to be quite easy, but you don't have really a big franchise in a lot of countries that you operate in. So how should we think about your ability to garner more deposit growth or grow above the market in terms of gaining market share?

Manus Costello:

I would question your characterisation as us not having a big franchise in some of the markets in which we operate. We have very significant market shares in our two largest markets, in Hong Kong and Singapore, and we have, within our client segments that we look for, and this would be true whether it's in the retail space, in the affluent client base, or whether it's true in the segments of the CIB space that we go after as well, we have very good market shares. I think you need to understand what our addressable market is as opposed to looking at the broader piece of the market overall.

That said, we are generating strong deposit growth at the moment. And we're generating strong deposit growth partly because - I mean, you can see the macro stats of Hong Kong, for example, deposit generation in Hong Kong is high, but I think you also need to look at what we're doing organically.

So, as we are growing the Affluent business and the retail business, often you see the net new money that comes in will come in the form of a deposit, a CASA or a time deposit, which we will either keep as a deposit or ultimately look to convert to a Wealth product over time. So the strong performance of the Wealth product, of the Affluent product, is helping to drive deposit growth in WRB.

And then if I look at our CIB business, which most of that deposit generation would come through the transaction bank, as we were just discussing, we've invested a lot in the technology in that space, we've invested a lot in the customer relationships in that space.

As I said, there is an underlying rate of growth of core operating accounts which we've observed in the past, and which we think we can deliver against in the future, and that will continue to drive strong liquidity.

So, I think characterising us as lacking in market share is not something I would agree with, but I would point you towards the areas in which we are competing effectively to win, and I think you can see the strength of our liability growth bearing that out.

Melissa Kuang, Goldman Sachs:

Right. Thank you. So, maybe moving ahead in terms of cost of risk. You did the \$190 million overlays in the first quarter, we've seen you classifying \$700 million increase in high risk assets.

So given the tensions are ongoing, do you think that this provisioning is sufficient? And maybe perhaps explain whether or not we need more, and in the 30 to 35 basis points kind of credit costs, can that still be achieved in the year?

Manus Costello:

So, we have guided in the past, and we continue to guide, to expect our through-the-cycle credit loss rate to be 30 to 35 basis points of loans. And we reiterate, we've had that in the past, and we reiterated it at our Investor Day, and that's what underwrites our RoTE targets in the future.

I think it's important to note within that, a lot of business mix shift that's happened over the course, really of a decade, but it's continued more recently as well, and we laid out quite a lot of information about this in the decks that we put out last week.

So if you look at our CIB business, for example, in our corporate exposures, we've moved from 40% investment grade to 75% investment grade. We had some interesting information about the average PD of our corporate book from our Pillar 3 data, which, if you look, has fallen quite precipitously over the course of the last five years, as well as we've really selected customers in a slightly different way.

And if you look in our WRB business, as we focus more on the Affluent business, we have been able to exit some particularly single product unsecured relationships. So we've seen about a seven percentage point reduction in our unsecured balances as a proportion of our WRB balance sheet over the course of time.

So structurally, those factors, which, by the way, I think will continue have been driving the business towards a place where we believe we are a lower risk institution, and we're quite comfortable (a) that those trends will continue and (b), that 30 to 35 basis points remains at the right range for us going forward.

More specifically, to your question about the Middle East, yes, we took an overlay, we took \$190 million of incremental ECL in the first quarter. That was split between some non-linearity, so the models that we employ across our Monte Carlo simulations, an overlay on the petrochemical sector, and some sovereign overlays as well. We think those were absolutely the right things to do at the time, and we will see where we come out in the second quarter. Clearly, and this is a macro comment rather than a Standard Chartered comment specifically, the longer the Straits of Hormuz remains closed, the longer pressures in the energy markets build up, the greater risk there is from a macro perspective, the greater risk there might be of incremental overlays or incremental provisions being required.

But I think that's a statement about the macro situation rather than anything that we're seeing specifically, because as we said in Q1, and as we reiterated a couple of weeks ago in Hong Kong, we remain very comfortable in the shape of the balance sheet and in the performance of our book at the moment.

Melissa Kuang, Goldman Sachs:

So about second-order, third-order impacts, have we actually seen anything coming out of those?

Manus Costello:

By second and third-order impacts, I presume you're talking outside of the Middle East?

Melissa Kuang, Goldman Sachs:

Yes.

Manus Costello:

So, across oil importing economies, for example, and some of our footprints? The truth is that so far we have, and in some of the overlays we've taken, we've tried to anticipate some of those second-order and third-order impacts. That's why we've taken some skew in the model in terms of the downside scenarios. That's why we've taken some of the overlays.

Because of some of the actions that we have taken previously on the balance sheet, the sharper end of where that might be felt has not necessarily flowed through to us at the moment. What do I mean by that? We don't have a very large unsecured book. And typically, as consumers are feeling pressure, the area that you will most immediately feel it will be in the unsecured book, in the credit card book. Most of our unsecured lending is now towards more affluent customers, so they're not at the sharper end of the inflation pinch that you might see.

Over time, our CIB book has concentrated in larger corporates, who may well encounter problems in future if energy prices remain difficult, but are not likely to be in the first wave of impacts that see problems emerging. So, because we don't have that large commercial base that we had previously, or that some other banks have, we haven't seen any direct impact there so far. So I would say really what we're doing at the moment is trying to anticipate the effects that we could see on customers, rather than being concerned about the immediate effect that we're seeing.

Melissa Kuang, Goldman Sachs:

Right. Maybe just on this point, we also know that you have been looking at your RWAs and those that are not that suitable, remove them from the book and try to improve that.

And in terms of that, how do you think after this goes through that it will impact the RWAs and also the cost of risk? You say 30 to 35 is your target until 2030, but could we have an upward surprise to that number?

Manus Costello:

So, we get asked that question, and if you look at our RoTE, for what our planning assumptions are for our 2028 RoTE, you'll see that we've got - we did 19 basis points last year - we assume that we go back to the midpoint of that 30 to 35 basis point range.

Of course, the actions that we're taking, as I described previously, are driving us towards a balance sheet which we think is both lower risk and more efficient from a capital perspective, which I will come back to.

But you also have to bear in mind that we operate across a network of 54 markets. We operate in some sovereign environments which can be somewhat volatile. The nature of what we do, the services that we offer our clients are quite bespoke, and require us to be in some situations where of course there is credit risk, there is counterparty risk.

And so, we think while we continue to move the balance sheet in a direction which we think is lower risk, we think it's sensible for us to maintain, and our models would suggest we maintain that 30 to 35 basis point range, and so that's absolutely where we're comfortable with.

In terms of the capital efficiency, we've guided to expect RWA growth, average RWA growth, to be below income growth. And as you know, we've guided income growth to be between 5 and 7% CAGR over the course of our plan.

So, the goal is for us to continue improving capital efficiency, and we will continue to improve that capital efficiency in a number of ways. It's partly about that mixed shift that we're seeing. So as we exit, for example, some unsecured relationships in our retail business and do more business with the Affluent customer base, that itself should drive a better return on capital, a better return on risk-weighted assets going forward.

Similarly, within the CIB business, we've said that there are two pivots that we're making, or continuing I should say, within the CIB business. One is that we're moving our financial institution's customer base up to 60% of our revenues and our network income up to 70% of revenues over time.

Those shifts, which are gradual but happen over time, come with better income return on risk-weighted assets, because those customer bases, the customers in the financial institution space, and the customers who bank with us cross border, generate better income return on risk-weighted assets. So as we move through that period, we should naturally see an improvement. The other area is in what I think you were referring to previously, our suboptimal RWAs. Over time, our RWAs have actually shrunk quite dramatically. Since 2015 that there's been very minimal growth. And we've had a pool of RWAs which have had various suboptimal characteristics over time. So initially, there was a concentration in some assets which have much higher credit risk than we wanted, and it's taken time to move through those.

What we're into now is a smaller pool of suboptimal assets than we've had in the past. There are still suboptimal risk-weighted assets that we want to work on, but in most cases now, those are not suboptimal because they're problematic from a credit perspective. They're suboptimal because we need to improve returns on those.

So the game for us now is to ensure that we keep recycling the capital from those clients. There will always be a pool of customers, and it's quite right that there's a pool of customers who generate less good returns, because there are reasons why you would invest in those customers to grow better returns over time. So that number should never be zero.

But what we want to do is continually raise the bar to make sure that we're recycling the capital out of those customers who are generating relatively lower returns into the higher returning customers. And that's what will deliver, for us, the revenue growth and the revenue growth ahead of the risk-weighted asset growth over time.

Melissa Kuang, Goldman Sachs:

Great. So in terms of capital, we were talking a little bit about this, but in terms of the strategy you set out, now we are diverting some of the capital, a third of it, looking for growth.

In the past, we don't have that kind of large amount set aside. Right? So in terms of the growth portion, can you maybe give a little bit more colour as to where we want to do this growth and what are you looking?

Manus Costello:

So, we laid out that in the past couple of years, the split of how - we've generated a lot of capital - and the split of that capital usage has been about 25% to RWA growth and about 75% to distributions. Looking forwards, we expect to generate more capital, because we're going to become more profitable, so the returns will improve and we'll generate more capital. And we said that broadly speaking, we think about a third of that will be deployed into RWA growth, a third will be for the dividend, and a third will be available capital. And that available capital we may clear at the investor event is most likely to be used for share buybacks.

So while yes, there is a move to RWA growth to a small extent, I wouldn't overplay the fact that that RWA growth is about a third, as opposed to the 25% that we'd seen before. But I do think it's important to note that we have options to deploy capital which are different to peers, and I think improved for us versus where they were several years ago. They're different to peers because of our footprint, because of the nature of our business, because of the clients that we've got. They're different to what we were able to do previously because we have a different client base, we have different revenue streams, we have more high income to risk-weighted asset opportunities to deploy that into.

And so, the right outcome we think for shareholders, what we're always seeking to do is to generate the maximum EVA for shareholders. The right outcome, in our view, is to make sure that we are generating strong customer relationships, strong EVA over the course of a prolonged timeframe, because that's what will drive maximum value for shareholders. And that's the philosophy that underpins the strategy that we laid out a couple of weeks ago.

Melissa Kuang, Goldman Sachs:

Right. Thank you. So, maybe moving on to 2030 guidance. So you target [over 15%] RoTE by 2028, and then we move to 2030. Quite a big jump then to 18%, right? So, just in two years span time, we need to move quite fast up in terms of RoTE. So, what is the key additional step up that we're seeing that's going to drive it, and what is the single key upside risk or downside risk are we looking to that 18% target?

Manus Costello:

Sure. Well, look, first of all, our target for 2028 is over 15%. So, we laid out some of the building blocks for how we think we can get from the 11.9% we did last year to over 15%. The biggest portion of what we think we can deliver is that mix shift that I talked about previously.

And so that mix shift is being driven not necessarily between the WRB and CIB businesses, but within those businesses, it's as our WRB business becomes more focused on Affluent, and we'll move up to 75% of our revenue coming from the Affluent client base. And as our CIB business becomes more focused on those multinational corporates and FIs, and more focused on FIs specifically, and we'll grow our portion of revenues there.

What that enables for us is the improvement in returns on risk-weighted assets that I just mentioned previously, but it does more than that for us as well, because it enables us to tap into better growth opportunities, we think, with those customers. We think those are higher growth segments for the market and for us specifically as well.

And it also enables us to take advantage of the core platform that we've already built. So because we are growing into a base where we've got a good installed engine already, we can get good operating leverage. I would encourage you, if you get the chance, to take a look at the transformation deck that we put out with our May Investor Day, which was a very interesting, I think, analysis of what we've achieved so far in terms of improving the core of the bank and what we're looking to do in future.

And I think what you should understand from that message is that we've taken some very substantial actions. For example, we've just, a couple of months ago, upgraded our entire core banking system in Hong Kong. A huge project, unlocks all sorts of incremental opportunities for us, helps us scale that business much more effectively. And that was very successfully completed, and we were very pleased with the reception that we got to that in March of this year.

We've got some new data centres which are bigger, more agile, much more geo-resilient, much more resilient to data attack as well, and those have enabled us to operate much more effectively. And because we've got some of these core building blocks in place, it will now enable us to get that strong operating leverage that will benefit from that mix shift that I talked about.

Now, I've talked about the shift from here to 2028, to the greater than 15%. The truth is that those trends continue beyond 2028 and into 2030. We outlined - Bill outlined when he was talking at the investor event - the big five macro themes, which we think will dominate the macro outlook for our bank specifically.

I won't run through the five trends. We've got plenty of materials and some very nice videos about them if you want to look at them. Those trends aren't two year trends, those are multi-year trends. And the changes in our business, which I've been talking about today, which take us to the over 15% in '28 RoTE are also what will take us on to 2030 as well.

Melissa Kuang, Goldman Sachs:

Right. Thank you. So I mean, I just want to sneak in one last question before we open up. So, given you used to be head of IR, and you were at Autonomous, valuations for Standard Chartered, still very appealing. Although it's run up quite a lot, but it's still very appealing. So, what do you think is the most misunderstood story for Standard Chartered?

Manus Costello:

Clearly, I agree with you that, the valuation is very appealing. That's why we're very happy to continue buying back shares at these levels, and I think there is a huge amount of runway for the story going forwards.

I think there are a couple of elements that we need still to convince the market of. We talked a lot about the growth opportunities. We've delivered against those growth opportunities in the course of the last couple of years in particular, but also over a longer timeframe.

But I do think that we need to continue to execute against that to convince people that that is organic growth opportunity and not just conducive market conditions. And that's something that we're committed to doing.

I think, secondly, that transformation piece that I talked about, engaging investor reaction to that presentation that we gave, I don't think people have recognised how far we've come in the bank in terms of modernising. There's still more to do. There's still plenty more to do. We've got lots more projects that we're working on, but I don't think people understand how far up the curve we've come in that.

And then I talked about the balance sheet shift that we've seen. I think this is a fading but still lingering issue that people have. People remember - I was an analyst covering Standard Chartered, and I remember that the time pre-2015 when the bank encountered lots of credit issues. Some of you in the room may remember those times as well. It is interesting how long those memories have lingered, and that does still sometimes impact our conversations with investors who want to see an even longer timeframe for us to deliver against that. But I'm confident we can deliver against that.

And I would say, look, while we're very pleased with the progress that we've made, and we're very confident in the outlook, we only delivered an 11.9% return on tangible equity last year.

So we've got a lot to do. Everything I've laid out for you today, and all the presentations we gave to you in Hong Kong give you a lot more colour, but we've got a lot to do. We're confident that we can do it, but we're looking forward to showing the market and seeing that share price realise its true value.

Melissa Kuang, Goldman Sachs:

Right. That's good. So, we still have about three minutes. We'll open up to Q&A now. Does anyone have any questions? No? So maybe I'll just ask Ventures. So we've seen some milestones on Mox and Trust, finally, right?

But what do you think in this day and age in terms of in Hong Kong and in Singapore? Because we've seen a lot of these online banks, right? They have come, they have gone, some stay, not really that successful, especially in that part where you are operating. So how can we think about these two entities and how that would deliver for you?

Manus Costello:

Sure. So, Mox and Trust are our digital banks in Hong Kong and Singapore respectively, which are now six, seven years old. And we've been very pleased with progress. They've had very effective capacity to access new clients, a very effective ability to gather deposits, and increasingly, to grow revenues.

And the milestones that Melissa's referring to is the fact that they were profitable or turned profitable during the course of the first quarter, or break even during the course of the first quarter this year. So, on a standalone basis, I think those businesses have achieved a huge amount, and we're very proud of what we were able to achieve.

If you look at what Judy, our head of WRB, of retail, presented when we were in Hong Kong, we now see an opportunity for those digital banks to operate alongside the main bank in terms of two ways, both helping us to serve the mass-market populations in Hong Kong and Singapore. And you've already seen us transfer some of our unsecured portfolio from the main bank into Mox in Hong Kong, because it's a very cost-efficient and very customer-friendly way for those customers to interact with the bank.

But also, the demographic, and we had some data on this, for those banks tends to skew somewhat younger, and somewhat less affluent than our core bank proposition. So ultimately, over time, what those would enable us to do is to access a customer base which aren't necessarily coming into the more affluent end of what we're looking at in the main bank and give us opportunities to grow Wealth products with those customers, and there are different kinds of wealth offerings that we're starting to offer to those customers. And then also, to migrate those customers as they become affluent, as they become priority customers, maybe even private bank customers, to offer more sophisticated Wealth products to those. So it serves a nice dual purpose for us, helping to serve certain customers in the mass market and providing us with avenues for growth for that retail business going forwards.

Melissa Kuang, Goldman Sachs:

Right. Thank you. Is there any last comments you'd like to make before we close the session?

Manus Costello:

I would just like to say thank you very much for inviting me, thank you very much everyone for listening, and please look at the 200 slides we posted online of all of the work that we did in Hong Kong a couple of weeks ago.

Melissa Kuang, Goldman Sachs:

All right. Thank you very much. Thank you, everyone. Thank you, Manus. Thank you.