J.P. Morgan UK Leaders Conference 2026

Wednesday, 18 November 2026

In conversation with:

<<Manus Costello, Group Chief Financial Officer, Standard Chartered>>

[Amended in places to improve accuracy and readability]

Kian Abouhossein - J.P. Morgan: Thank you for joining us, Manus, CFO of Standard Chartered. We're going to open up probably a bit earlier for questions, so please be prepared, so, Manus can listen what your thoughts are as well. But let's start out with... how did the third quarter progress, against your expectations? And if you can also give us an update how things are going so far in the fourth quarter.

Manus Costello: Sure. Well, thank you for having me, and thank you for asking about the third quarter. We had a good quarter, as you know, continuing what's been a good start to the year overall. Our income was up 14%. And for me, the highlight of the quarter was really about the diversity of that income. Most of our major revenue streams did quite well during the course of the quarter, so I was really pleased to see that diversity. And we had good control of costs, and good control of credit quality as well, so a lot of it dropped through to the bottom line, so we were really pleased with the third quarter. In the fourth quarter, markets have obviously been a bit more volatile in the course of the last few weeks. Within our Global Markets business, that volatility can help Flow income. Our Flow income continues to grow, albeit not at the same kind of rates that we saw, which were very strong in the third quarter. In our Global Banking business, between some political uncertainty and the market uncertainty, I'd say clients are being a little bit more cautious in executing on deals, but the pipeline is strong, and we're very comfortable in the outlook for the Global Banking business. And then in the Wealth business, client activity has moderated a bit, given the market volatility that we've seen over the course of the last few weeks. But overall, you'll remember that we raised our guidance with the third quarter, we raised our income guidance to above the 5-7% range, and we raised our RoTE guidance to around 14% for 2026, and we're happy that we're on track to meet that, notwithstanding more recent market volatility.

Kian Abouhossein - J.P. Morgan: And maybe we go right into your last point, on WRB, on the Wealth business. As you said, it's been a great performance. Net new money flows, 9 months annualised at 16%. Wealth solution revenue growth has been 33%, and your target is 10%, or medium-term, double-digit growth CAGRs. So, if you can maybe unpack a little bit the cyclicality. As you mentioned, there seems to be a little bit, considering market conditions, and also the structural growth element of that. If you can talk about how you think about these two elements on WRB?

Manus Costello: I think the structural growth in our Wealth business is best shown by the stat that you pulled out about the 16% net new money in the first nine months of the year on an annualised basis. It's our ability to attract, gather, monetise client assets, and we have been putting in place a product set and a network to gather that, and we are confident that we will continue to grow our net new money. You know we have our target of $200 billion net new money out to 2028, and we've made tremendous progress so far this year, and I think we've got all the conditions in place to keep that structural growth going through. You then look at the income that we generate from that, and I said that the first half of the year in particular saw very strong client activity. You'll remember our Wealth income was up about 40% in the first half of the year, so clearly the client activity was elevated in the first half of the year, and we've said that we would expect that return on assets to come down into the kind of historic range that we've seen over time. And obviously, in different market conditions, clients react in different ways. They can sometimes be more defensive, sometimes more risk-on, but that underlying growth, that franchise that we've got, remains very strong and- gives me confidence that we'll continue to grow through next year and beyond.

Kian Abouhossein - J.P. Morgan: Yes, as you said, in the third quarter and also in the past, the investment margins look at a higher end of what you expect normally in the first half of 2026. Is it fair to say we've seen a bit more of a normalisation of that investment margin?

Manus Costello: Well, one always sees... the fourth quarter is always somewhat lower, so you need to look at things on an annualised basis. We'll see where we get to for the fourth quarter, and we'll see where we get to into 2027. What we were really trying to highlight mainly in the first half, but also to some extent in the third quarter, was that that level of client activity, that level of margin, was above the top end of the historic range that we've seen, and so that was what we were trying to flag.

Kian Abouhossein - J.P. Morgan: And, in terms of your Wealth revenues, you also highlighted it's actually reasonably diversified. I think you've given a breakdown in the past. 60% comes from Hong Kong and Singapore, roughly, if I'm correct, and the majority of that from Hong Kong. But I think what we always think about Wealth Hong Kong, Hong Kong, maybe Singapore, but in reality, the other markets that you operate are growing also at double-digits, as we understand. Can you talk a little bit about, first of all, the fourth quarter dynamic, is it, the uncertainties playing out in all the markets? And secondly, can you talk about the diversification of that business?

Manus Costello: I think the diversification point is a really important one. Thank you for raising it. 11 of our markets in the third quarter saw double-digit income growth. And as you say, there is obviously a lot of concentration on Hong Kong, a lot of concentration on our global Chinese flows, which are about a third of the flows that we deliver. But it's always important to remember that the other two-thirds is also growing very strongly. We've got a strong business in Singapore, attracting both domestic business and international customers from around the world. We have a lot of international banking clients who are coming to Singapore, to Dubai, to Hong Kong, from all around the world, from India, from Indonesia, from Thailand, and those customers are being attracted to us and growing quite well. What we saw in the first half of the year in particular was a couple of our domestic markets were very strong. It won't have escaped your attention that some of the local markets in Asia, in Korea, in Taiwan, were very strong during the first half of the year. They saw really strong performance in the first half of the year. And we'll see how things develop during the course of the rest of the year. I think my comment more broadly is that markets for the last 3-4 weeks have been really quite volatile, and that obviously has some impact on client behaviour across the world.

Kian Abouhossein - J.P. Morgan: And I think there's also this view that, you're very dependent on the Chinese client base coming to Hong Kong. Can you maybe discuss a little bit the split? You've given some indications It's actually much more diversified.

Manus Costello: Yeah, so what we've said is out of our net new money, about 30% is what we call global Chinese. And by global Chinese, we mean Chinese money, which is invested offshore, or Chinese nationals who are investing offshore. And it's worth remembering, we've made the point before, but it's worth re-mentioning it, that the vast majority of those funds are generated offshore by international businesses that those customers would have. So that's 30% of our net new money. 30% will then come from this other set of international customers who are banking in markets outside of their home market. Typically, that will be in Hong Kong and Singapore, and that comes from around the world. And then about 40% of the business remaining is domestic, and those domestic markets are split across the world, but in particular, Singapore, Hong Kong, Taiwan, Korea would be the four biggest that I would call out.

Kian Abouhossein - J.P. Morgan: And if you're comparing your performance in wealth to peer groups, you're clearly outperforming. It's not always easy to get data, but you can see it in the revenue figures that are disclosed. You've invested heavily in that business, and it's really paying off. What is the secret sauce, for the ongoing outperformance in Wealth? And what do you see going forward?

Manus Costello: I think you already teed up some of the answers there, Kian. I think, first of all, the market is growing, right? So, yes, we're growing at 16%, but the market is growing close to double digits anyway, so we're operating in what has to be said, is a very conducive environment in terms of asset gathering, and I don't see any reason why that will necessarily slow down. We have been investing for a long time in this business. I know it's only really become evident post-COVID that there's been strength in this business, but we've really been investing with a very stable management team for the better part of a decade into our Wealth business. And so, a lot of that was masked. It was starting to do well pre-COVID, but the COVID period obviously had a significant impact, and you've really started to see the benefit of those investments come through. We put out a plan in 2024 to invest $1.5 billion in the business. in terms of growing our Relationship Manager (RM) base, in terms of growing our technology, in terms of investing in physical and brand infrastructure, and that's been going very well as well.

So putting all of those things together has left us in a very strong position, and given us the ability to keep on investing, to grow, and to keep on offering our clients the products that they want. It's worth mentioning, just reminding people, as a final point as well that we don't have an asset management arm in-house. We have an open architecture model, and that has, I think, been a real advantage for us. We've obviously given up on margin in terms of manufacturing the product. But in terms of being able to offer customers what they want at a given time, it's a huge benefit for us, because we can choose best-in-class funds, best-in-class structure products, we can be quite nimble in either selecting or co-creating with asset managers what we want to offer clients. And that, I think, has enabled us to outperform in terms of the attractiveness to our customers of bringing their money to us.

Kian Abouhossein - J.P. Morgan: And, moving maybe away from Wealth, to deposits, in particular Hong Kong deposits, because there's clearly a lot of discussion, post the results season around the move of, or the reduction in CASA, i.e. cheap deposits. We've seen a bit of a move in CIB, where CASA deposits are now 62%, and in WRB on the retail wealth side at 51%, so there's a bit of a move. Clearly, the focus is more on WRB, generally, by the investor base. But can you talk about competition in Hong Kong? And, how you position yourself, and what is driving this mixed change that suddenly everybody's focused on?

Manus Costello: I think you're right to focus on WRB, that CIB data can go back and forth, and you're right that there has been a slight decrease in our CASA ratio over time. It's worth pointing out, though, that we are growing both our CASA and our TDs, so it's not as if one is shrinking and the other is growing. And in fact, it's a trend which has been going on for a while, that our TDs are growing a bit more quickly than our CASA. That is really a function for us, mainly, of the fact that our business is moving towards our target of being 75% affluent. And when we go out and attract new customers in the Wealth business, very often, not always, but very often, the initial product that they come in with will be a TD. This will be a relatively short-term TD, a 3- or a 6-month TD. So, to the extent that we are being successful in gathering term deposits (TD), to attract Wealth clients, that will show through in those stats. And we're fine with that, because we're obviously looking at the total revenues that we can generate from the customer, and the total lifecycle of the customer, so it absolutely makes sense. In terms of the competitive environment, I think a couple of things have happened. We talked about this back on the Q2 call. That strategy of using term deposits to attract new Wealth clients is common across the market. It's not different, it's not new either by the way, but it's common across the market. And we saw a pickup in competition several months ago, as players were attracting new customers. There's obviously competition for net new money. So we called it out in Q2, we called it out in Q3, and we think it will continue through Q4 as well. It's not a major deal for us, it's fully embedded in our NII guidance of 4% growth for this year. And from our perspective, it's not necessarily getting any worse at the moment. We'll see how rates develop. We'll see how competition develops. But from what we see, and by the way, it's not just Hong Kong, it's Hong Kong and Singapore, we see a fairly steady drumbeat of competition, which is to be expected.

Kian Abouhossein - J.P. Morgan: And, so, as I understand it, there's clearly the Affluent mix change that is driving it, competition to some extent. Is it also driven by higher rates, and lending picking up in Hong Kong in particular, or these are less drivers of it?

Manus Costello: I think the former a little bit, the trend was there. Maybe it's picked up a little bit more because of higher rates. Some of the yields on offer for some of the term deposits have got better headline rates. It hasn't been a huge pickup in rates, I wouldn't overplay that, but it's definitely added to what was already a fairly competitive market. And again, we'll have to see where rates go, we'll have to see where people's term deposit rates go in the future, but we're pretty comfortable with underwriting that 4% NII growth for this year.

Kian Abouhossein - J.P. Morgan: Sticking with retail, you had a very successful focus on affluent customers. Clearly, again, we're very focused on Hong Kong, to some extent Singapore, but can you also talk about the other markets, ASEAN, Africa? And, you clearly have a investor day or investor update coming up as well, if you can talk about that. But maybe you can talk about these markets in that context.

Manus Costello: We do. Thank you for highlighting that. We're going to be hosting a series of spotlights. We've done a lot talking about our businesses, and that's primarily how we manage the business, is by our CIB business and our WRB retail business. But I think it's very important for people to remember that we're operating in local markets with local characteristics, different dynamics in terms of growth, in terms of regulation, etc. So, we're

going to do a series of seminars focusing on some of those local markets, starting in a couple of weeks' time with Singapore and ASEAN, and that will really highlight what's going on across the region. What we have really tried to do in the retail business, though, is ensure that we either operate in markets where we have a good market share. And that would include Hong Kong, that would include Singapore, to some extent, that would include Taiwan, that would include Korea, as markets where we have a large presence and we can serve a larger customer base. In other markets, we're trying to make our retail presence serve the Wealth business. We do need a funnel in many circumstances, because a lot of our customers are up-tiered from our mass market retail business up into our Affluent business, so we're making sure that when we're running those businesses across the network, that those businesses are there to serve the Affluent business overall, and that's part of the strategy. And as I think you were probably alluding to, we've exited some markets, and we've announced in the last couple of months exits from markets in Bahrain, in Bangladesh, in Ghana. That adds to a number of other exits that we've had. In a number of cases, we think that these retail businesses are very good businesses, but they don't serve the strategic purpose that we need them to serve. They're not feeding our Affluent business in a particular way. We think they belong in a better home somewhere else, and we've been very successful in being able to find a home for those businesses. And that's a process which has been going on for several years, and we'll see where we get to, but it's something which has enabled us to concentrate that $1.5 billion of investment that I was talking about, in the area that we think we've got the best market share and competitive position. We're the number three Wealth provider across Asia, and where we think we've got the best growth prospects as well. So that's why we've been adopting that strategy.

Kian Abouhossein - J.P. Morgan: And within the retail business, do you still see, over the medium term, further potential exits and subscale areas, or do you think the bulk of it is finalised?

Manus Costello: We'll have to see. As well as exiting certain markets, we've perhaps given less publicity to the fact that we've run down a lot of our unsecured lending in our retail banks. So we've gone from about 19% of our book being unsecured to about 12% now. And that has quite a meaningful impact on our net interest income, and we've talked about headwinds to net interest income from that. Also, on capital, because it frees up RWAs and allows us to recycle it. And I think, we think it will enable us to have a much better focus on the kind of customers that we want to serve, and deliver a much lower loan loss rate, obviously, given that we've got a much lower proportion of unsecured lending going forwards. That process, I think the majority of that process is done. It's not complete, but I think we've reduced that book very materially across some of our markets, across China, across India, across Malaysia. And I think the bulk of that process is now done.

Kian Abouhossein - J.P. Morgan: Moving to CIB, and we probably come back to risk-weighted assets later, just talking a little bit about CIB and Markets Flow income growth has been very strong, 18% year-to-date, year-on-year. You've done a great job of, reinvesting into the business, and you highlighted some of electronification, FX, Rates. Can you talk about the journey going forward? Where are the opportunities? I think the market sometimes compares you to some of the large U.S. banks, etc, and it's quite a different operation. Maybe you can differentiate a little bit. how this business is different, and what the opportunities are, really?

Manus Costello: Sure. It is a very different business, you're right, to some of our US peers or some of our European peers in what we try to do. It's entirely a FICC business, so we have no equities business, we're just focused on Fixed Income Currencies and Commodities, and we're obviously very focused in our footprint. We have some smaller operations in the West, although we do have operations in the West. What I think is of a great benefit to us is two things. One is that the markets we operate in are growing, and they have structural growth, because their underlying markets are growing. There's a greater financialisation going on in many of our footprint markets. One of the most obvious areas to talk about is the internationalisation of the RMB. It's something that we have, obviously, a good market share of, it's something that benefits our Markets business, both through trading FX, but also through trading the interest rate curve as well. And it's an area where if that market grows, we will see continued structural growth. The second thing is that we have made investments into our own business. You talk about the electronification, that's been a very important part of where we've invested in the Markets business over the course of the last couple of years, and you can see very clearly how that bears fruit when we reduce our latency, how our volumes pick up, and how our market share with our customers pick up. But we've also been through a process of focusing our efforts on the larger clients that we serve where we think we have got nowhere near enough market share and nowhere near enough wallet share. And that's been very successful. Get the right products into the right people at the right customers, and we will grow our wallet share. And you can see that the

stat I gave on the Q3 call, which I will repeat, is that back in 2019, out of our top 100 clients in Markets, only 14 of them delivered more than $5 million in annualised revenue. This year, unless something very strange happens in the next six weeks, we will see all top 100 deliver over $5 million in revenues. So you can really see how they won't be exactly the same 100 clients, but you can really see how by focusing on our larger clients. bringing our better capabilities in markets that are growing, we're able to produce what I think is a structural growth story, which, again, it will have some cyclicality, there'll be some periods where it's quieter, but structurally, that business has been growing at a double-digit rate, and I see absolutely no reason why that would fade.

Kian Abouhossein - J.P. Morgan: And within that business, in the markets business, clearly, you have reinvested in the rates business, it has materially improved your positioning. Should we think about more products, or reinvesting into products that you already offer, but maybe there's another lack of investment which would accelerate market share growth? How should we think about that?

Manus Costello: A combination. And in many cases, there may be electronic upgrades we can do. For example, we have our own proprietary interface with customers called SC Markets. The more we invest into that, the more clients deal on our platform, we get more volume, we get better margins on that platform, but we need to keep on investing in that platform, so that's something organically that we can do. But in other cases, it may be a case about getting a license. If there is a particular license for an interest rate future in a market that we operate in, which is just coming online, because the local regulator wants to expand the depth of their market, we obviously need to be in place, and hopefully we are, in a good place with the regulators to be early to get that license, and then we can bring it to our customers as one of the few providers who can give them that service. So it's a combination of both those factors coming together.

Kian Abouhossein - J.P. Morgan: Maybe we shift to the Group a little bit and maybe start with the revenues. You have mentioned the guidance for 2026 is higher than the 5% to 7% range, and consensus, we don't have the latest consensus, but we're at 8.2%, I would assume, consensus for 2026, will be roughly at around the same level. And clearly, the base level of 2026 is quite high and you have this 5-7% revenue CAGR guidance. Clearly, that's the average. But just wondering how you think about 2027 going into 2027 with this kind of 2026 as a base?

Manus Costello: Sure. How I think about 2027, is that I'm looking forward to providing 2027 guidance, with full year results in February, next year. You're right, we had a capital markets day back in May, and the way we expressed our guidance then was as a CAGR. So, what we said we would deliver is not 5-7% each year, we would deliver a 5-7% CAGR from 2025 to 2028. We've obviously made a very good start this year. There have been some very positive factors in terms of, we talked about the Wealth business in the first half of the year was extremely strong. There have also been some interest rate pressures come through the course of this year as well, so there have been puts and takes. So, we'll have to see when we get into next year how we feel about the year developing on each of those fronts and how we see our franchise momentum moving forwards. But what we're really focused on is getting to the point where we get to 2028, we've delivered against that 5-7% income CAGR, we've delivered a 57% cost-income ratio, and crucially, and this is really the North Star, we've delivered a return on tangible equity of over 15%, because everything we do is obviously in service of generating as much free capital as possible for our shareholders, and that's that 15% RoTE that we're really focused on.

Kian Abouhossein - J.P. Morgan: And we'll come back to the return on tangible equity guidance, but before that, you mentioned the cost income, 60% this year as a guide and 57% by 2028. When we look at consensus, interestingly, they're already, pricing in the 57% in 2027, you said there will be jaw effects continuously. First of all, how do you feel about that? If you can comment? And then from there, can you talk a little bit about investments? You are making investments, are you actually invested to the max of what is available, i.e, if you would have more availability of investment spend, would that actually be helpful to you? Because it feels like you're investing a lot.

Manus Costello: I'm not someone who talks a great deal about consensus, nor about my feelings, so I'm not going to talk about how I feel about consensus. We have given quite clear guidance about where we want to get to in 2028, we've given guidance for 2026, you can interpolate between the two, as you will see fit, but I do think what we made clear with the third quarter is that we're managing the bank on a cost-income ratio basis, to get to that point in 2028 that we want to reach. And that ties back to the second point of your question, because we've just been through our annual planning cycle, and there is a huge amount of demand for investment across the business. Far more demand for investment than we would be able to meet, because of all the factors that we

spent the first part of this chat talking about, there is a great deal of potential investment that can be made in our CIB business, whether it's into electronifying further the trading platforms, whether it's into beefing up certain markets or going into certain markets, you know, we've made moves in a couple of markets in North Africa, we've been investing in Saudi, we've opened in Switzerland. There is always demand for people to want to invest more in that business that will drive future growth. And of course, in the Wealth business, they can do more in terms of spending on opening new wealth centres. We've just opened a new one in Hong Kong. There's always a demand to have these shinier, better buildings, which generate a lot of income for us over time. We can hire more wealth managers, and we can carry on, at the same time, investing in the core of the bank, and making sure that the core infrastructure of the bank is where it needs to be. So, all of those factors give us a choice, is what I'm coming to, because it gives us a choice of how we want to move going forwards. When we set out our plan, we were very clear that we would deliver 5-7% income growth, and a 57% cost-income ratio in 2028. Within that, we obviously have some flexibility about the pace of investment that we want to make in order to hit that cost-income ratio. For me, the most important thing is that we continue to fund the investments which will drive growth beyond 2028, to make sure that we're getting a bank which has positive jaws each year, to make sure that we have a bank which is improving its return on equity, but investing in the franchise will be crucial to that.

Kian Abouhossein - J.P. Morgan: Okay, very clear. If we can maybe, continue with investment, and in particular technology, really what struck me at the May Investor Day in Hong Kong was how good your infrastructure is. Actually, that was one of the biggest surprises to me, because we don't hear a lot of banks talking about infrastructure, quality of infrastructure, and you have one platform, as I understand. Clearly operate in a lot of jurisdictions. But can you talk about, how that infrastructure is helping you on your cost-productivity paths, but also on the revenue side, and how we should think of this as an advantage relative to peers, to some extent, because we hear a lot of patching of infrastructure still within the global banking system.

Manus Costello: So, the reason we wanted to talk about it when we got you to Hong Kong in May is that we've completed some really big projects, some very long projects, some very expensive projects. Building some data centres, in the East, in Hong Kong and Singapore, which are hot, hot data centres, so they are both running live the whole time, and provide great geo-resilience for us, because we can ensure that we've always got an environment which is up. And I'll come on to this, but enabled us to scale very effectively. The other big project which we talked about in Hong Kong was that we've just moved our core banking system in Hong Kong onto our main core banking system. There's still a couple of markets left to go on that. We haven't done all of the markets across the group. What both of those investments provide us with is a couple of things. They don't necessarily save money, they'll save money in terms of not having to build the system anymore, but they don't save money in terms of run costs, necessarily. But they do enable us to scale much more effectively at much lower incremental cost. So, we can put much more data through those existing data centres than we would have been able to with our previous data centres. We can do much more volume in Hong Kong at much lower marginal cost. with our new banking system than we would have done. That, in turn, to your revenue point, enables us to service clients better. If we've got less batch processing and much better straight-through processing of transactions, we can give the clients a much better service, and there's a number of examples in Hong Kong already where this is the case, which might not lead to an immediate pickup in revenue, but over time, should lead to a good competitive position with that client. So there's still a lot to do, I should say. We haven't got all markets on that core banking system. We've still said that we're building a data centre in the West as well, in the UK, so we're not there in terms of our investment and in terms of getting to where we want to be. But the reason we wanted to talk about it was that we have made some significant steps forward, which have been many years in the making, but were delivered end of last year, beginning of this year.

Kian Abouhossein - J.P. Morgan: And from what I recall, in the countries that are outstanding, the larger ones are Korea, Indonesia, am I correct, so we're very close to the finalisation?

Manus Costello: Yes, it will take some time. These rollouts are complicated, and each local market has got its own peculiarities and issues. So, close to getting it done in terms of number of markets, but it'll take a little bit of time before it's completed.

Kian Abouhossein - J.P. Morgan: Staying with, tech, digital assets, again, a topic where you're, I would say, very well advanced. We've looked into them globally, and they're two, three global banks, plus yourself, which are very high on the list, really well advanced in this space, and Bill Winters clearly is very well versed in that area, I would say, as probably the best-versed CEO globally on this topic. What is the end game, really? Let's leave it open like that.

Manus Costello: We don't know. The end game will be different to the current game. I think if you believed that you had a completely clear vision of what the end game was. As we know, with most things, you'd probably go down the wrong path and not end up with the best franchise for your shareholders and for your customers. What we think is really important is being on the pitch in order to get towards that end game. And that means being able to operate in a number of different ways, being able to offer tokenised deposits, being able to offer stablecoin services, being able to link up to various forms of distributed ledger technology, which are emerging around the world and understanding with clients what they want, what the use case is. I've got no interest in technology, which is a solution in search of a problem. What we're always trying to do is take the client's problems and work out how different ways that we interact can benefit that client. And, of course, benefit us, and deepen our relationship with the customer. I do think we benefit from the fact, one of the reasons that Bill is... and Standard Chartered are well up on this, is that we do operate in some markets which are very keen to develop the infrastructure from a regulatory, technological. political point of view, that wants this to move forward. So Hong Kong, Singapore, Dubai are clearly on the front foot in this area, and they're very important markets for us. So we benefit from being able to work closely with customers who are advanced, with regulators who are advanced in those areas, and I think it's put us in a good position. Exactly what the end game will be, I don't know. It will be much more digital, it'll be much more blockchain-based. And it will disrupt some existing customer relationships. And we need to be ready for that.

Kian Abouhossein - J.P. Morgan: Return on equity, and then we'll open up to questions, just briefly on return on equity, clearly, you're well on track on your 2028 guidance, if you're thinking about return on equity, medium term. you're talking about 18% by 2030. And it looks like you're well into that remit, to get there. How should we think about return on equity on a sustainable basis? Because clearly, you have a little bit more non-NII in your group, in terms of mix, in terms of revenues, probably more than some other banks, which is a higher P/E business, but can also be a bit more volatile. Just to understand a little bit, How should we think more over the cycle returns?

Manus Costello: Look, first of all, thank you for acknowledging that we've made good progress. I think it's worth remembering that over the last few years, we've moved from a single-digit 8% RoTE in 2023 to expecting 14% this year. So, it has been a very strong period for us. The majority of that, I think, has been driven by our own investments and the things we've just spent half an hour talking about that. Of course, there's been some conducive market conditions. Impairments have been relatively low during the course of that period and helped as well. So, we're operating in a good backdrop, as are many of our peers. You mentioned that we've set out an 18% target by 2030. We're making good progress towards that. We'll see where we get to on what time frame. I do think there'll come a point at which we need to work out how much we want to continue with routine maximisation, and how much we want to invest into the top line to keep the business growing very fast. We're nowhere near there yet. There's a lot more we can do with our mixer business. I think we've got a very high returning, very high growth future, but it's a conversation I look forward to having when we get there.

Kian Abouhossein - J.P. Morgan: And the optimisation on risk-weighted assets versus loans, you've done a great job. You mentioned reducing unsecured. I think 77% of the book now is investment grade from 2014, it was probably more like 44% or so. Despite that, the returns are going up, so you're doing a really good job also on the optimisation of risk data. Is there still room on optimisation, or do you think that's played out?

Manus Costello: Well, I don't think the improvement in RoTE has been despite the reduction in risk. I would actually say it's been because of the reduction in risk to some extent, we are aiming to develop revenue streams, which are high return on risk-weighted assets, have lower credit impairment, and generate what I was saying before, the maximum free capital generation, for shareholders. We'll have to see where we go. The levels of underperforming RWAs that we had previously are no longer there. We had some legacy positions, either from a bad credit perspective or from a being poorly managed perspective. We do still have suboptimal RWAs. The book of those is smaller. The game for us now is really about trying to recycle permanently upwards, to take money out of the lowest performing RWAs and reinvest in the clients who are delivering us the highest return, both in terms

of the income-to-risk-weighted assets, but also in terms of growth prospects as well. We're not just maximising income-to-risk-weighted assets, we're maximising for free capital generation over that time frame. And that process will be a forever process. It will keep going. But in terms of pure optimisation of some suboptimal credit assets, there is still some to do, but it's less of a story than it was 5 or 6 years ago.

Kian Abouhossein - J.P. Morgan: We'll open up for questions. There should be mics on the table.

Participant: Thank you, and can I ask, perhaps, on capital? You've got quite a large, MDA at this point in time, and do you think that might lead to a capital target change at some point, please?

Manus Costello: Quite a large buffer to MDA, I would say, rather than a large MDA. We saw a reduction in our Pillar 2A, in which we announced in the most recent quarter, and that comes on top of a reduction in Pillar 2A, that we saw previously. So, like other banks, we've seen a fairly material, reduction over time. We don't manage the bank to buffers to MDA, though. We manage the bank to our 13% to 14% target range, which is based on a variety of factors. It'll be based on our own internal stress tests, it'll be based on the rating agencies. Yes, it will be based, to some extent on what those buffers to MDA look like, but it's a whole mix of factors that come together. We'll have to see where we get to, but we were quite clear in May that we wanted to operate at the midpoint of that 13% to 14% range. And we'll see where we get to going forwards, but there's nothing to update you on the 13% to 14% range.

Kian Abouhossein - J.P. Morgan: Any more questions in the room? Yeah, at the back, please.

Audience member: Hi, could you share more about your Wealth strategy in Asia, and how do you measure the effectiveness of your investment into Wealth, given that it seems like the region will increasingly become more competitive?

Manus Costello: I think the region has been competitive for some time, to be honest, and as we were discussing, I think some of the competitive issues around how people are attracting term deposits, how people are attracting relationship managers, that's been there for the last couple of years, and we've thrived during the course of that period, and I think we'll continue to be well-placed to keep on growing. When we're measuring the investment into the wealth business, we do it the same way that we measure all of our investments. We have a preset budget of particular measures that we're looking at, we look at the return on investment that we get from those. If it's an RM cohort, we'll track how that RM cohort is performing. If it's a brand campaign, we'll look at how that brand campaign is performing. It's no different to any other piece of investment that we would do. But I think the important point for us is that we've got a strong position as the third largest Wealth manager in Asia. We're growing very fast. I think we have some structural advantages in terms of the markets we operate in, in terms of the way that we're set up with open architecture, as I mentioned, which hopefully means, and I think it will do, that those investments that we're putting in will continue to yield good returns for some time.

Kian Abouhossein - J.P. Morgan: Great. Ran out of time. Thank you very much, for being with us.

Manus Costello: Good. Thank you very much, everyone.