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Post Q2'26 results meeting with sell-side analysts

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Hosted by:

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[Amended in places to improve accuracy and readability]

David Lock: Thanks for joining, everyone. Today we've got Manus, Dan our Deputy Group CFO, Mark CFO of CIB and Jean CFO of WRB. So hopefully we've got a broad range of people who can cover lots of questions for you. So with that, if we could please use the raise hand function on Teams, we'll go straight into questions.

Kunpeng Ma – China Securities: Thank you. Yes. My first question is about the NII trend. Because I think that you raised a little bit of the guidance of this year, but I believe that is based on the slightly upward trend forward curve. If the Fed doesn't raise rates for the rest of the year, I think the curve will flatten again. And for next year, the curve will probably go downwards again. So based on the increased guidance of NII this year, is there any possibility that we could have a lower guidance for the next year? This is my first question.

The second question is on the Wealth business, because in China, I can feel some of the changes on the overseas asset allocations like last weekend, the Chinese government introduced some new tax requirement on the overseas Trust products. So I don't think this is kind of short-term impact on the cross-border money flows. But in the long term, are there any observed changes in the client behaviours for their overseas global asset allocation, and any colour on the impact on the Wealth business income in the future? Thank you.

David Lock: Thanks, Kunpeng. So I think on NII, I'll go to Dan. Then for WRB, it goes to Jean.

Dan Hodge: Thanks for the question. So let me start by talking a bit about 2026 [NII] first before we come to 2027. Obviously we've upgraded our guidance to low single-digit percentage growth year-on-year, and that was up from the prior guidance of broadly flat.

Obviously a good start in H1, that's 4% up year-on-year, and that's really driven by higher volumes and improved balance sheet mix, and that offset the impacts of lower rates and margins. Of course we don't know what's going to happen to rates during H2. There's lots of different paths. And also we've had insights this week from the Bank of England and from the Fed as to their thinking and the rationale for holding flat for now. But the forwards are predicting an increase across those currencies, and we're seeing forecast increase in other currencies across our footprint. Some decreases as well, by the way. In the forwards weighted average, expected increase in rates H2 ex H1 is around 15-20 basis points across our portfolio but who knows…

In terms of H2, we would expect further increases in volume and asset mix benefits to help offset some headwinds from deposit mix, margin compression and the WRB portfolio exits. The volume growth we'd expect to come across the banking book and the trading book. On the asset mix, we are expecting to see Treasury assets become an even lower proportion of total assets, and we saw that actually quite a major feature of the first half, Treasury assets were 2% lower as a portion of total assets in the mid-year than they were at the start of the year. Against these benefits, we called out deposit mix headwind, and that's from higher Time Deposits (TDs). People talk about CASA to TD migration; we prefer to think of it as expecting to grow retail CASA and Retail Time Deposits (RTDs), but just probably the RTDs rate being slightly higher. That's because we're growing the Affluent franchise and it's an attractive product class to Affluent customers, but also TDs become relatively more attractive than CASA as rates rise. And I'll just remind people as well around the WRB portfolio actions; we expect the pace of disposals to pick up a bit in H2, so we'd expect a higher drag from those in H2 versus H1 and 2% overall drag year-on-year.

I'm going to disappoint slightly on 2027 because we're not guiding to that yet. I think we need to see where the jumping off point lands at the end of this year first. Clearly the different currencies can move in different directions across our footprint. We would be confident about continuing to grow our volumes. We are a growth bank and we're expecting to grow volumes across our product mix and across our businesses other than unsecured lending in WRB. We did, at the Capital Markets Day, talk about expected improvements in mix on the asset and liability side and rates are probably more likely to be a tailwind than a headwind, but that's not certain at this stage.

Jean Fernandes: So Kunpeng if I can take the second question. I think as a bank and as WRB, we are quite confident that China's opening up agenda is a priority for China, and it will benefit many of the players in this space. Why we say that is we have seen expansion in many of the wealth connect schemes - stock bonds, stock schemes, the bond connect schemes, et cetera. Every day you hear about RMB internationalisation, Chinese companies going overseas with support from the regulators. So yes, there is a lot of noise around some of the curbing of unlawful activities, which has been done, and that has created a perception that there is a restriction on capital flows. I think the regulators are signalling that they continue to support lawful activities. They support compliant cross-border activities, and these are the activities we are focused on. So since many of these headlines have hit the news, we haven't seen any change in client behaviour. As you said, this is a long-term play and we are confident that we are following the regulations and doing business in a lawful way. So at this point in time, we don't see any material impact to our business.

James Invine – Rothschild & Co Redburn: Perfect. I've got two, please. The first is on net new money. So you've had really good net new money numbers for quite a sustained period of time now. I was wondering, can you just give us a little bit more colour, please, on where that's coming from? So how many of these people are you taking the relationships from other banks? How many people is this their first wealth manager relationship? Also to what proportion are existing group relationships that you're mining and how far have you gone through that process so far? So that's the first one.

Then the second one was on what you've announced today this morning in Singapore, please. I'm just wondering if you could say a little bit more about that. And also, if you might do something similar in Hong Kong with Mox and does it change the economics of the business? Thank you.

Jean Fernandes: Thanks, James for the questions. So net new money - we are very pleased with the progress we've made in H1. This is an area of focus for the business. We are seeing broad-based growth in net new money, or broad-based inflows of net new money. We have seen net new money deliver double-digits percentage of our AUM across 11 markets. So this is not coming from any particular client cohort or a single geography. It is extremely broad-based. We are seeing good amount of deposit flows, but we have also seen particularly in this half, around 60% coming into Wealth. That is also not only a function of very good markets, but also a function of a broadening product suite. We talked about it during the Capital Markets Day. We now have a much broader product suite within our managed investment funds and our markets business, all of it which caters not only to people of different net worths but also across different risk appetites. That is really helping us attract net new net new money. So no particular concentrations to call out. I think if we look at our segments between high net worth and Priority, we are not seeing any material change in mix between these segments. It remains unchanged. We don't track whether this is the first time a client is investing. But as we shared during the Capital Markets Day, our AUM per client is increasing, and that together with the net new money growth is proof point of the success of our Wealth franchise.

In terms of the second question, you would recollect that we did announce the sale of our personal loans portfolio in Hong Kong to Mox. We sold the portfolio last year and we completed the transfer of clients sometime in June. So that is already completed. What we've announced in Singapore today is something very similar where we will transfer a part of our mass market clients transacting in credit cards or holding credit loans on credit cards with us to Trust. Again, this enables us to make sure that Trust provides a much stronger digital experience to a much vaster pool of clients. And at Standard Chartered, we can continue to focus on the Affluent clients. We will continue to do cards within the bank, so that strategy doesn't change. But from a client targeting perspective, we will have more of mass market being done by Trust and more of Affluent by the bank.

James Invine – Rothschild & Co Redburn: Okay. So the clients know that they're being transferred. It's not like you're just kind of giving the Trust experience, but it's still branded Standard Chartered?

Jean Fernandes: We need client consent. So after today's announcement, we are contacting client by client and giving them the opportunity to provide consent to transfer to Trust.

James Invine – Rothschild & Co Redburn: Perfect. Thanks, Jean.

Manus Costello: James, if I can just come in at one point on the net new money and on the diversification point. I think I understand all the focus on the global Chinese and obviously it's very important. I do think if you remember the way we talk about our international business is kind of half global Chinese, half other. That half other is growing very quickly. The single biggest country in that we've talked before is global Indians. But I think we were looking recently at the ASEAN population. If you take ASEAN as a whole, I know it's not a thing but if you were to look at that, it's the biggest piece of that other international. It's growing really fast. So we have got really good growth in people from Vietnam, from Thailand, from Indonesia, from Malaysia, putting their money with us offshore. I really wouldn't overlook that diversification and that growth in that area as well.

James Invine – Rothschild & Co Redburn: Thanks, Manus.

Alastair Warr - Autonomous: More nitty-gritty stuff for me than the interesting wealth things. Could you give a little bit more colour on outlook at the Associates line continuing just not to recognise what's going on at Bohai reported earnings for now, and then [are you] still expecting for disposals in ventures?

Dan Hodge: Thank you. Absolutely, you're right. We made the change in our accounting treatment not to recognise our share of the accumulated undistributed profits of Bohai, [we] made that change at the end of last year. That continues to be our policy. There are no plans to deviate from that at the moment. We think that's a prudent thing to do. Obviously we continue to assess the carrying value of that stake. We use something called a value-in-use methodology and based on that methodology, there was deemed to be no need for any further impairments this quarter. So yes. So I'd expect to see a continuation of existing treatments for some time.

I think on ventures – it's a little bit lumpy. Remember our ventures falls into different categories from an accounting perspective. There's a subset of them which are equity accounted where we have a significant but not a dominant influence. We've got some which are consolidated, and you see that their performance come through the income and the cost line. You've got some that are fair valued and some that are mark-to-market. Again sometimes you'll get some disposal P&L coming in as one-offs that make things quite lumpy. But there's nothing we really want to call out as to expect by way of material items in the Associate lines for ventures for the rest of the year.

Kian Abouhossein – JP Morgan: Hi, thanks for taking my question. It's related to your balance sheet. When I look at your maximum credit risk exposure, you don't have really any credit risk besides repo transactions, so very short-term, very low risk, I would assume. Your balance sheet is extremely well-matched. I'm just trying to understand what your ambitions are: either to take more risks especially within your CIB business or is it more of a demand-supply issue? Just trying to understand where you are on the risk profile, because I don't see that there's much growth whatsoever.

David Lock: Thanks, Kian. So I think for CIB, we'll come to Mark, and then I might ask Jean just to comment on some of the risk approaches in WRB, particularly given we've been exiting some portfolios.

Mark Bailey: So Kian, I'd bring you back to we've been really focused on growing the investment grade part of our business. So if you see the portfolio, our risk has pivoted towards investment grade. So less credit risky through time. The data point that I would pull you back to that we gave you in the earnings was about how we've driven origination and distribution. So that is critical to our overall strategy. We are not looking to load into any specific risk. We will always be looking to originate and then distribute that risk according to client demand and largely that client demand will come from financial institutions. So that is the appropriate area. You will see that as we are looking to go deeper with specific client names, then we will take risk where we think that that drives the client return for us. But you should think of it as overall, we're thinking quite strategically about where we deploy our balance sheet. Through time, we have been on that shift towards investment grade.

Jean Fernandes: Yes. Coming to WRB, we have shared that we will be exiting markets which are off strategy and also portfolios, and that largely covers unsecured lending portfolios. But we have grown quite well in our portfolios of choice. Mortgages is a key asset class which Affluent clients value; we have grown 5% year-on-year there, and we see that growing well both in Hong Kong and in Singapore, which are two of our largest markets. The other area we are seeing grow well is wealth lending. It's a key part of our Affluent proposition. There, our loans have grown double-digits and we see growth coming from high net worth clients of course, more broad base across markets and more in the high net worth space. So yes, so in the areas of choice, we are taking risk and we are seeing growth in loans, but unsecured we are exiting. And one point I forgot to mention is digital banks. That's also somewhere where we continue to expand our CCPL loan portfolios.

Manus Costello: Can I just make a broader point on risk, which I think is important. The bank is growing positive jaws, growing RoTE, and going through a process of controlling risk, and in the case of WRB, derisking at the same time, and that's a really good outcome we think. If you take a look at what Jean's business, Judy's business, has been able to do over the course of the last few years – look at the reduction in unsecured balance sheet that we put through – that is a material improvement in the quality of that income in my view or those returns over time. We've obviously taken headwinds from that because that's pretty NIM rich stuff, but we've been able to reinvest the capital and the costs into growing the Affluent business. So I think you need to bear in mind the strategic overlay of your question, which is we're managing to grow RoTE, we're managing to grow top line very effectively without taking that extra risk. That means that as we get to an even better RoTE, it'll be an even higher quality RoTE on the other side, in my view.

Kian Abouhossein – JP Morgan: Absolutely. It's impressive, the return on risk-weighted assets going up significantly. If I may the second question briefly, can you talk about your operations? I know you don't report it this way but can you just talk about in particular Korea, India, maybe Indonesia how they're fairing at the moment?

David Lock: Do you mean for the business perspective or from a cost perspective?

Kian Abouhossein – JP Morgan: From the businesses perspective. Korea, we have a lot of volatility. India, there's some issues as well. Indonesia is deficient on energy. Just if you can talk briefly about these countries.

Jean Fernandes: So let's start with Korea. Korea had a strong H1 in particular where we managed to capture some of the volatility in the market on behalf of our clients. But our Korea Wealth business is very small, less than 5% of our total Wealth business. What we are doing there is making a mix shift towards Affluent, and that is where we are seeing progress. We now have two PP [Priority Private] centres in Korea. We have acquired a lot more clients in Korea. We are upgrading clients. So all of these are proof points that the structural part of the business mix is changing. We expect Korea to remain challenging in terms of the Wealth momentum in the second half, but our focus will be on upgrading clients, getting net new money monetising the PP centres.

Coming to India, again also while Wealth income has grown decently in India, it has been challenging because of the currency depreciation locally for the business. Where our focus has been is in growing Bancassurance products. We have also done really well in our funds businesses. Our India business has been under transformation where we wanted to move it away from an unsecured asset-led business into an Affluent business. We've done well. We have sold both our cards portfolios and our personal loan portfolios. We have closed 20 branches. So that transformation is largely completed, and we are very pleased with the progress.

David Lock: Thanks, Jean. Mark, did you want to add anything - CIB perspective? Otherwise, we'll go to Dan.

Mark Bailey: I'd probably repeat what Bill mentioned, which is from a Middle East perspective, there has been a demand for financing. That demand we were able to meet, and actually tying back to the earlier question, we were able to distribute that risk quite quickly, so that then locked in some nice fee income for us. But more broadly, you can see that in the Middle East, the need for financing, whether it be ports, whether it be infrastructure, energy or defence, the demand there is ramping up. And as a trusted partner to a number of those states in the Middle East, we're in a good spot to help them with that installation of that. And as they flex their supply chains as well, we're well-placed to help them with that change. So we clearly have to manage the credit risk because that's why we took the overlay. But actually, we have seen and we've capitalised on financing opportunity in recent times.

Manus Costello: Yes. I think in the Middle East, one of the perhaps lesser-known facts is that there's been a big pickup in private placement issuance out of the Middle East. It's now accounting for about a third of issuance year to date in the private placement market from the Middle East. We're very big in that space. We're one of the biggest players in the private placement space, so that's been one of the areas that's helped us grow our Global Banking income. Sorry, that was an aside. Dan?

Dan Hodge: Yes. Thanks. Just picking up on some of the things that Jean said and expanding it to the more holistic performance of India and Korea, actually both have done really well. I'm very pleased with how those businesses are faring. Actually, the segmentals we show, they're both up quite handsomely on income and down on cost; although the cost, there's some one-off reasons for that. We manage principally on product lines, but it's worth calling out some of the highlights. I mean India, income was up 15% year-on-year and 13% half-on-half. And as well as the strong performance that Jean's called out there, actually we got a lot of growth from Banking and Markets and there's improved lending margins, higher Banking fees, strong FX and rates activities. So very pleased there and actually impairments very low. Just going to the point that Manus was making about the shape of our business. Korea as well, [income] very strong. I mean 30% up year-on-year when you look at it on a quarterly basis. 18% up year-on-year on a half-year basis. And really that's come across a whole spectrum of products. Jean touched there on wealth and mortgages, but it's also been very good in Transaction Services and Markets. Again impairment very low and well-contained.

Ed Firth – KBW: Could I ask you a slightly broader question around AI. I know your eyes are all going to roll on this, but I've just noticed that when you look at a number of sectors outside banks, people are starting to spend quite a lot of money in terms of implementation costs of AI. Whereas we seem to be in a slight world in banking where we seem to think that it's all going to be free to implement and we're just going to get cost savings. So I'm just wondering, are you starting to think about the costs of actually implementing AI into the franchise? And are we thinking that perhaps some point in the next year or two, we might be looking at some quite big restructuring costs, both in terms of actually the costs of reprogramming processes onto an artificial network I guess but also the cost of taking people out that result from that?

Manus Costello: I think it's a really good question, Ed. I think it is something that we've been debating for a couple of years really, in terms of how we implement it, how we pay for that implementation and what are the benefits we will get from it. I think the first thing to say is that the precondition for us to realise a lot of the benefits is ensuring that we've got the right infrastructure in place and we've got the right data strategy. We spoke at length in Hong Kong about what we've done in terms of building out that infrastructure and are building a global data platform as well. We have spent a lot of money on building that data centre in the East we talked about. That's done across Hong Kong and Singapore. We're going to do the same in the West. That's fully budgeted and is in train, and we'll be doing it.

One thing which we have, which everybody has across the market, is inflation in those physical infrastructure build costs. It is just a lot more expensive to buy servers and to buy memory now than it was before. We're dealing with that. We're pre-purchasing, and we're dealing with it. It is definitely an inflationary pressure, which across the financial sector and all other sectors we'll see. But the point I'm making is that those infrastructure, physical infrastructure and data infrastructure pieces have been in train for five years, I would say in order to enable us to do this. As we go forwards and we start to implement the models on top of it, we need to be very thoughtful about how we do that about how we spend on it, and what models we're using.

You heard Bill talk about using different kinds of models, we don't need to use the most expensive model in every circumstance. There are also some geographic limitations on what models we can use, and Noelle has already talked to you about the fact that we've built that infrastructure to be model agnostic so that we can run different models over the top of it. But it's definitely something which we're thinking about. All of which is a long-winded way of saying the infrastructure spend costs were already in the hopper, Ed, and we're already spending on them. The rollout and the pace with which we spend on tokens, et cetera, is something that we need to manage over the course of the next couple of years to deliver you the cost-income ratios that we've said we will.

Ed Firth – KBW: So your instinct is that we're not going to have to see big restructuring costs that the actual costs of writing skills and et cetera to actually do the jobs that are currently done by people, you think you can absorb that in ongoing costs?

Manus Costello: I mean that is the plan. That was what we laid out with the reduction in corporate functions roles that we put in the May event. That was what we're planning to do with the increase in revenue per capita, and we've obviously got some redundancy numbers embedded within that plan that we've laid out to you. Of course technology changes and who knows where that will be in the future. But as things stand at the moment, we've been really quite thoughtful about making sure that that's completely embedded. We spent a long time towards the end of last year and the beginning of this year debating the right pace of that for us.

Perlie Mong – Bank of America: Sorry, I'm a bit late to the conversation, so I don't know whether that's been asked already, but so apologies if it has. Loan growth in Hong Kong has picked up really strongly and I think Singapore as well among some other markets. So couple of things there. Number one, does that mean you're going to have to put more capital behind the lending growth part of it? And number two, there are also I think in some markets, maybe more so Hong Kong and Singapore, that there is some expectation that higher loan growth may increase deposit competition and maybe also even push up rates a little bit whether it's SORA or HIBOR. So is that a good thing for you? Presumably yes, because interest rates going up is normally a good thing, but equally, how does it more widely affect the rest of the business?

David Lock: I think I'll ask Dan to comment more broadly first, and then we'll go to Jean afterwards on WRB and specifically in Hong Kong and Singapore.

Dan Hodge: Absolutely. Clearly, we're going to allocate our capital to where we can generate the highest returns. You've seen we've been growing loans and advances in the banking book in H1. We'll continue to hopefully do so in H2. Equally, we'll fund the markets business as well and that continues to grow. You see that play out across a lot of our markets, including the two that you mentioned there. And even if rates do start to get pushed up, I think we'll be able to capture a growing amount of volume from our clients as well.

Could it push up rates? I mean the relationship between volumes and rates you can argue is two-way. If it does happen, yes you're right, Perlie, it is good for us. I mean we continue to share our disclosures around the sensitivity of our NII line to increases in rates. I would always caveat, don't read that as a revenue forecast because it is a bit of a risk metric where the entire curve moves. But you can see we started to give a little bit more page space to the impact of a parallel 1% hiking rates. And you also see the numbers for a 50 basis-point hiking rates in the half year report, whereas previously we tended to focus more on the NII sensitivity to a drop in rates. You can see there that we are positively correlated across our currencies, including the major ones and the likes that you call out there in terms of Singapore and Hong Kong, but also dollars. So yes, I mean you should definitely think about that as a tailwind for us. And that said, we are we are less geared towards rates than we used to be in the past because of the structural hedge programme. We felt that it was an important thing to do through the cycle to have a little bit more stability of NII. That said, we are still positively correlated.

Jean Fernandes: So if I can add, Perlie, you missed as I said this earlier, three areas where WRB is growing loans and all of that converge into Hong Kong and Singapore. Wealth lending, mortgages, and CCPL, particularly in digital banks and in Hong Kong, Singapore, where they remain a priority. So in Singapore, Hong Kong, in both places we have the private bank and we have a very strong Affluent franchise. We are seeing good demand for wealth lending as a part of our Affluent proposition. Mortgages is a key part of our overall Affluent portfolio. Both markets, real estate is doing well. Demand from Affluent clients for mortgages is growing and we are capturing that quite well. Finally, when it comes to CCPL, Hong Kong and Singapore, we operate our credit card businesses across both the franchises. Both are doing quite well targeting different kinds of clients and that loan growth is also in our books.

Perlie Mong – Bank of America: Cool. I was just going to follow up on deposit because I think my sense is that you've benefited quite a lot, like with everybody else in that part of the world from the very, very strong liquidity condition. So is there a situation where loan growth picks up and therefore deposit competition also picks up?

Jean Fernandes: I'll speak for WRB and then Dan can add more. From a market-wide perspective, the market deposit growth in Hong Kong and Singapore remains robust. We've seen that in Q1. We haven't seen market data for Q2, right. And we have continued to acquire market share all through Q1, and we continue to grow our deposits even in Q2. So we are not seeing this as any specific area of watch or concern. Yes, competitive pressure in both of the markets remain. There are some of the most competitive banks in Asia, and there's a lot of retail players, there's a lot of chasing for retail CASA obviously because it is low cost and high quality. So that pressure remains on us, but we are confident because of our affluent focus and our strong execution capabilities to continue to grow that deposit base.

David Lock: Thanks, Jean. [Mark do you want to] comment on the CIB side.

Mark Bailey: Yes. So what's quite interesting about this particular market is as the Chinese stock market rises and people come to the market from an IPO perspective, clearly that drives the opportunity for us because the number of the brokers, we bank them, so we will naturally focus on collecting the cash as that company price the IPO. Then if it is a corporate that we bank, then some of that cash that they raise will go into a particular [escrow or settlement] account. Naturally some of it comes our way and sits in our deposit accounts. So we have a very strong franchise we've been investing into. We've talked about our platform called SC Pay, which gives us a fantastic opportunity in Asia to be able to do what the corporate treasurer is looking for. That gives us that stability of deposits in that space because we've built the functionality and we've built that for years, and it gives us a bit of a competitive edge.

And if I were to flip our reflection on the asset side of the book, one of the things that's a real tailwind for us is as China is continuing its regime of exporting, you're seeing that kind of network business for us from China is strong. That's these payments, but they also need loans as they build their empires outside of that domestic market in China. That plays to our strength. So it's not particularly a point to say look at the Hong Kong franchise and look at the Hong Kong financials, that point I'm making around the network play but it is an important narrative to recognise in the broader CIB franchise play and where we're very focused on capturing that kind of Chinese multinational business.

Alastair Warr - Autonomous: Just a quick one on retail credit costs – quite a material drop quarter on quarter. Could you give a little bit of colour what's going on within that? Is there an impact from the exits? Can it just be a little bit lumpy? Any reasons that we wouldn't want to be extrapolating from this quarter?

Jean Fernandes: Yes, as our exits increase in pace, we're losing income, but we're also seeing an improvement in the LI [loan impairment] line. In addition, we have, given the macro environment over the last couple of years, made sure we enhance our credit policies and our credit risk underwriting to write better quality loans, and that also is benefiting us through the risk line. Of course we took the Middle East overlay in quarter one, and that is not repeated. That again gives a benefit in Q2. But overall, we are very pleased with how the loan book is shaping particularly given our focus on an Affluent business. So the credit loss levels are something we focus on and we are pleased with the outcome.

Manus Costello: Yes. There was $34 million in the first quarter of Middle East overlay in WRB. There was a much smaller number this quarter from that.

David Lock: Great. So just to read out Andy's [**Andrew Coombs - Citi**] message as he was unable to ask it. So he says, following up on Korea and Taiwan, you called out the very strong revenue growth in the first half of 2026. How much of this is temporary in nature due to the heightened transaction volumes, and how much is sustainable? So I think I will come to Jean on that. Then on the UK, some major moves with revenues up nearly 40%, costs down sharply, I'll come to Dan as well.

I'll just give a broader comment as well, which is that I think the geographic disclosures, we have changed these in recent years to try and make them better reflect the economics of what we see in each country. But they inevitably suffer from the fact that we use different countries as booking centres for different parts of the business. So I would just caveat some of the geographic trends as being something that you should try and extrapolate going forward. We are, as Bill mentioned on the call, going to be doing some network spotlight events over the next 18 months, which will hopefully double-click on some of these regions to be able to give you a bit more colour on how the network that we have plays into the group strategy that we gave in May. That will obviously have a local, a regional flavour to it, which we will try to bring out in those webinars.

So Jean, do you want to go on the first and then Dan on the UK?

Jean Fernandes: Yes. Thanks for the question. So on Korea, as I mentioned earlier, the Wealth income is a small part of our global business. But within Korea in the first half, it grew quite strongly. That was on the back of two things. One, of course the very exuberant equity markets, which created good opportunity for people to trade. But what we also saw is huge strong net new money coming in. As, as I mentioned earlier, 11 markets delivered double-digits net new money as a percentage of AUM. Korea was one of them, and Taiwan was also another one, which I'll come to later. In Korea, we have been transforming the business into Affluent. We're seeing increase in qualified Priority Banking clients. We're seeing increase in RM productivity. More net new money. These things give us confidence that we will be able to continue to grow this business at pace. But yes, the market situation is quite volatile, and we expect to see choppiness in some of the numbers. But from a structural growth perspective, we are quite happy with the progress our Korea franchise has made.

Coming to Taiwan. Taiwan again had a very strong half. Taiwan markets were also very strong in the first half, but fortunately haven't shown as much yo-yo in the recent time. Where we are benefiting in Taiwan is we have refocused our energy on the higher end of Priority, particularly Priority Private clients. We are deepening our relationships with existing clients while we are growing new-to-bank clients. We also hired RMs in Taiwan, and that RMs brought in good amount of net new money and clients.

And finally, we're focused, in Korea in particular, to improve our digital processes of client onboarding, product execution, et cetera. These changes have also helped us to be more productive and efficient with our clients. So really proud of the H1 performance across both these markets. With Taiwan, we expect momentum to absolutely continue. No reason to have any concerns.

Dan Hodge: Just picking up on the UK, just agreeing with David, we don't necessarily capture the full franchise benefits of UK business in the numbers you see here because they're very much domestic business booked locally and then international business that gets booked into the UK balance sheet. It doesn't talk about the business that's thrown out of the UK and booked elsewhere. But that said, based on what is captured here, it clearly does show a very positive underlying trend fuelled very much through in the growth of our multinational corporates and FI client base. And if you look at it from a product perspective, it was really, really strong year-on-year performance in Transaction Services, Global Banking and Global Markets.

So Transaction Services was up driven by trade and working capitals, high volumes of LC [letters of credit] issuances and financial guarantees to clients. Global Banking's up, very high flow momentum, and actually over 200 deals booked in 2026 so far within capital markets. That's across -- there's some very large individual trades amongst that as well and some large industry types. Global Markets, up as well, double-digits, which is obviously good to see. Commodities, rates, credit trading, so across different product classes there. Treasury, it's worth saying there's been a bit of a lag the last few years on the treasury side. We put in some early hedge positions on behalf of the rest of the Group. So whilst we were showing a good hedge from a Group perspective, you actually saw a bit of a loss coming through in the treasury line within the UK. That's now largely reversed, and that's been a bit of a tailwind too.

And if you put all these things together, the reason why it's quite helpful financially into RoTE is over time, it helps with our effective tax rate [ETR]. That's because if you're making taxable losses in the UK, we're not able to get a deduction for that, right. So it pushes the effective tax rate up. Once we start to become profitable within the UK, and that actually helps the ETR, which is why we're talking about mid to high 20s guidance around the effective tax rate. It's that UK dynamic that I explained.

Manus Costello: Just one last point on the costs that you raised as well, Andy. You'll see that the US [business] went to the other direction. There was some internal cost allocation switching around. So that's more of an internal point rather than anything fundamental about the cost base for the UK.

Jason Napier – UBS: Thanks very much. Thank you again for hosting these calls. They are tremendously useful, and I appreciate you putting up executive time in doing so. At a really high level, what's most noteworthy for me in the result is the sort of the very significant slowdown in the second half that's implied by your income guide particularly in non-interest income. So the billion-dollar question for all the points is, what seasonality or baked-in slowdown can we know is coming, and how much of it might we put down to conservatism and so on?

Global Markets is the only business that's in the past shown really quite big second half slowdowns, but the rest looks like the growth drivers that we've heard a lot about on this call should be persistent through the second half. So anything that you can say to justify, if you like, not going to the top of the income range, given the associated maths that goes with hanging around the six level at this stage? Thanks.

Manus Costello: I'll pick that one up. So if you look at the implied growth rate year-over-year for the second half in non-interest income, it's still pretty healthy, right. It would imply a good rate of growth in the second half in terms of non-interest income. If you look at the second half of last year, you'll see that both Banking and Wealth had a good second half of the year. So we're coming up against some strong comps in both those businesses. They both ended the year well. We therefore thought going forwards, as we looked at what the right output was to give and where the plans were that it was sensible given the start that we made and given the plans that we've got to give the guidance to be the midpoint of the range. Of course that can be different. Of course it can change. But we're not implying a second half, which is significantly down on the second half of last year or anything like that. We're still implying good year-over-year growth.

On the seasonality point, both Markets and Wealth tend to have a seasonal softer second half, if you're looking second half on first half, because Q4 in Wealth does tend to be softer and Q1 tends to be stronger. It's a similar dynamic. It's always a similar dynamic in Markets. So there is quite a pronounced impact in two of our biggest non-interest income revenue streams, 2H versus 1H. But I look at 2H'26 versus 2H'25 as a thinking about it.

Jason Napier – UBS: Thank you. I mean I remember from a quarterly breakdown perspective you typically tend to hit your insurance sales target in Q3, and that tends to give you a really good Q3 in the Bancassurance line and what looks like a slow one in Q4. Have we already hit that number or is that still something that's coming, the payout from the Pru?

Manus Costello: It continues to accrue. Jean, do you want to explain where we're at in terms of how we're doing on the Pru bonus accrual?

Jean Fernandes: Yes. I think the phasing of the Pru bonus accrual is the same as last year. Our accrual is based on an earning profile, and we generally tend to accrue more than 50% in the first half. So typically in the second half, the Pru bonus is even lower than the first half. The Pru arrangement also has certain tiers, certain year-end programs, et cetera. Sometimes they come in because both sides want to drive sales. If that is the case, then there may be a bit more Pru bonus coming in. But H2 is generally lower than first half.

Jason Napier – UBS: Got you. Thank you. Thanks very much.

Manus Costello: Thank you, everyone for joining. Always good to hear. I know it's busy, I know you've had a busy week. Appreciate it. Thank you, to Dan, who's off on his sunny holidays. Thank you, to Jean, who's dialling in late from Hong Kong as well. And have a good weekend, and I hope you all get a good break over the summer.

Thanks, everyone.