Bank of America 31st Annual Financials CEO Conference

Tuesday, 22 September 2026

In conversation with:

<<Bill Winters, Group Chief Executive, Standard Chartered>>

[Amended in places to improve accuracy and readability]

Perlie Mong – Bank of America: Good morning, everyone. Welcome back. It's my pleasure to welcome Bill Winters, CEO of Standard Chartered on stage with me this morning. Bill, thank you very much for coming. So it's been a busy few months since you set out your medium-term strategy at the capital market stay in Hong Kong. How do you feel about the progress so far?

Bill Winters: Well, first of all, thanks for having me, Perlie, and thanks for joining. We feel good so far. In many ways, the strategy that we set out in May is the one that has been the strategy for the past 15 years. But of course we took some steps to focus, refine, and maybe explain a little bit differently since we had the attentions of many of you for a longer period of time than normal. And we set out a few key tenets, which is to focus on this affluent client proposition that we've got across Asia, the Middle East and Africa. That obviously is continuing to go very well. There's been noise along the way. Is China imposing capital controls or not? No doubt you'll ask a question about that. But the long and the short of it is that business continues to perform extremely well. And what we're seeing is that our strategy of investing in, focusing on that set of capabilities is really paying off in terms of clients, net new money, and obviously then through to Wealth income. So that's going well.

The second big theme is our cross-border business, which is an umbrella for really corporate and financial institution activity, institutional, but also wealth clients who, for whatever reason, operate across border. The obvious reason is they have cross-border business or operations or they invest in cross-border or they want to diversify their portfolios. And while many banks have a network, nobody has our network. I'm not saying our network is better or worse, it's just our network and it's unique, which gives us entry to lots of different institutional clients through Africa or through South Asia other than India or through ASEAN other than Singapore. These are our home markets and that continues to go very well as well.

Now I won't give my whole set of messages on the back of one question. Last year you accused me of answering all your questions in my first response. So I'll take a breath. I'll let you come back and steer me where you want to steer me.

Perlie Mong – Bank of America: Sure. Well, Wealth, starting with that, why don't we? Q2 was a fantastic quarter for you. Can you talk us through what you're seeing in terms of client behaviour given the market movements and increased geopolitical tensions in the last few months; any change in risk appetite?

Bill Winters: No, no change in risk appetite, but I'd say our level of awareness and caution is extremely high. So as you've seen, and you've commented early, through the years, we've improved the credit quality of our portfolio substantially. We don't have big concentrations and we don't have troubles in the book, but we can see plenty of problems that could come if things got much worse. It's not our expectation that things are going to get much worse, but obviously we can have that debate anytime. But we've maintained a very cautious stance with the vast majority of our credit book being investment grade and continuing to improve with loan losses that are very low.

And we've exited, not for credit reasons, but for strategic reasons. We've exited a lot of the mass market retail business that was anchored in credit card and personal loan relationships. So that obviously frees up capital. It also frees up the exposure that we would have to an adverse scenario in some of these markets. The reason we exited is because we were subscale in many of these markets and we're just focusing on things where we have a really differentiated proposition, which is cross-border and affluent credit cards. Of course we offer credit cards to our affluent customers. We've just sold a lot of the portfolios. So how do we feel since second quarter? Very good. Each of the trends is reassuring. Obviously interest rates are trending up. In this zone, it's still, I would put it in for us the Goldilocks zone. It's still a good thing. Obviously, if inflation becomes very sticky and interest rates go up substantially, we would expect a slowdown in economic activity. We're not seeing that yet.

Perlie Mong – Bank of America: Okay. Well, so continuing on Wealth, just in terms of client activities, et cetera, clearly some of the markets have had a bit of correction in the summer. And also as you mentioned, there are some regulatory tightening from the Chinese authorities. So what are you seeing in terms of client flows, if any change [in] behaviour at all?

Bill Winters: Yeah. Structurally not seeing any change. Of course, clients are responding to the market environment. What we've seen actually through several cycles now, I call it mini market cycles as opposed to the big economic cycles, is clients absolutely rotate between outright equities with or without leverage structured products, Bancassurance, which is typically the most defensive product that our clients invest in. Obviously, Deposits, is a structurally defensive product. So we've seen from an extremely frothy first half of the year where we cautioned that we won't be able to grow our Wealth income consistently at 35%, or 43%. But we do think that the underlying growth is structural. That's exactly what we're seeing. And we're seeing some rotation out of the, call it the riskier, more idiosyncratic asset classes, but we fully expect that that's a timing issue. So there's a lot of, I think, hesitation going into the FOMC meeting. Are they going to hike? Well, they hiked. It's now clear. Warsh has put his marker down and I think we're seeing the risk appetite resume.

Perlie Mong – Bank of America: Great. And then moving on to CIB, the Markets business has grown strongly and consistently in recent years. How's the business performing in the second half of the year and what has been driving that consistent growth that you've seen in Flow income and how should we think about the longer term opportunities for the business?

Bill Winters: Yeah, it continues to perform extremely well. We know that in the first half of last year, so '25 was a very strong period in particular for financial markets. So the comparator year-on-year in the first half was weaker in Financial Markets, it was much stronger in Banking. In the second half of the year it kind of flips; we had a very strong comparator last year, but cutting through the year-over-year changes, all of which are fine as an aside, the performance in the third quarter is very encouraging. And I would say, to the heart of your question, it reflects investments that we've made across a range of areas. I've commented, I think on this stage before, that seven, eight years ago, our Financial Markets business was very FX anchored and we were a good global FX house and a very good emerging markets FX house. We now are still a very good emerging markets FX house. We're, depending on how you want to measure it, top 5, certainly top 10 in G3 or G7 FX, but we're also a very substantial rates house, a very substantial commodity house in our chosen areas with a full range of derivative products and associated structured products. So it's just a much higher quality, better diversified business, which also allows us to rotate through cycles a little bit more effectively. We've done that in a very disciplined way.

The Flow income is increasing because we're increasing the number of clients that we cover. We're covering them better. We've built really good electronic trading and algorithmic trading platforms that those clients can attach to, and we've got much better linkages from our custody and cash management, trade finance businesses. So those links were always there. We're just capturing a much higher proportion of the flows that our clients were engaging with us on, but then doing their ultimate hedging with somebody else. So without compulsion, we're bringing that back home. That is, I think, a gift that keeps on giving. So we've been growing that Flow income at 10% plus for some period. That has continued through this year and into the third quarter. The Episodic income, which is on average 25% or so of income, but quite volatile, had a weak fourth quarter. It had a fine first half of the year, but against a very strong comparator last year and is having a fine third quarter against a weaker comparator last year. So the percentage changes may look great, but underlying, what we're seeing is good steady growth and progress in each aspect of that business.

Banking, of course, part of what's going on in Banking is the AI feeding frenzy, which is data centre capacity being built at length. We've participated in that in the huge market, which is the US, but a lot of our growth is coming in the rest of the world where these aren't the 10 gigawatt projects that you see consuming half of the state of Texas, but rather these are much more tactical. In many cases, they're not AI training model-based data centres, they're either entrance or just cloud based data centres, but there's almost insatiable appetite for these products. We've been very cautious in terms of what we keep on our own balance sheet, but very active in terms of passing these things through. I think the other thing to note has been the surge in private financing in the Gulf. Obviously there's a war and they've not been accessing public markets. I think they could for sure if they wanted to, but they've been a little bit averse to public markets given the likelihood that they would be printing at a wider spread

than they would like to have on record, but they also want to bolster their cash reserves. They've been doing a disproportionate amount of that capital raising through us.

Perlie Mong – Bank of America: I see. What about Banking then? What's pipeline looking like for the second half of the year? Any particular sectors or geographies that you're seeing particularly strong momentum?

Bill Winters: Banking, that was the segment I was just talking about. Pipeline is good. The activity is robust. Of course, we saw a dip in capital markets activity over the summer months. Also during the period when the Gulf conflict was more uncertain, I guess it's still quite uncertain, but people are getting on with business. So whether it's in the AI space where caution has definitely become a buzzword, spreads have widened quite a bit even for the hyperscalers, but that build out is unfettered. The capital raising in the conflict zones is unfettered and our market share would appear to be going up quite a bit.

Perlie Mong – Bank of America: I see. Well, I mean, fee income has clearly been one of the main growth drivers in the last few years, but with loan growth really picking up quite substantially in some of your key markets like Hong Kong and Singapore this year and rates where they are, NII is looking quite interesting as well. So, is loan growth something that you are leaning more into in this environment? And if loan demand were to stay strong, does that change your thinking about the mix between NII and fee income?

Bill Winters: Look, where we start and certainly where we start in terms of assets that we are intending to retain either in whole or in part, we start and we end with returns. So we target over 15% RoTE in '28, and then out to around 18% I think is what we're saying, [in] 2030. And so, we want to add assets that are accretive to those targets. If we can do that by growing our NII, super, but we're not going to grow NII at a dilutive level, period. So we are seeing opportunities to deploy our balance sheet, both tactically, i.e. underwriting positions and structurally, i.e. buy and hold, that are more attractive than they have been for some time. And that I think reflects the fact that there's been a bit of a scramble for deposits and funding where we have some strong positions in particular in Hong Kong, but also Singapore and elsewhere, but there's also been a huge demand for borrowing. So when we see the opportunities we'll take them. I would still fully expect that our non-NII is going to grow substantially faster than our NII, and it's obviously higher returning. So the equation is good, but we absolutely have the ability to accrete towards that 15 and 18% RoTE by growing our assets. And where we have that opportunity, we're set up to take advantage.

Perlie Mong – Bank of America: And then on margins, well, interest rates and expectations of rates have increased quite a lot in the last few months. So, how should we think about the impact of that on your business and with loan growth demand coming back more strongly as you say, have you seen any increase in deposit competition?

Bill Winters: There's absolutely an increase in deposit competition, and in particular in Hong Kong and Singapore. And it's interesting to probe the question, how much of the competition that we're seeing is because people need the funding? And how much is because they want to show a good net new money figure because the entry point is deposits and you put a teaser out for deposits, you print big net new money, it gets written up by Bank of America and others as some sort of great wealth business? It may or may not stick past the deposit. We are not competing in terms of net new money. We're not trying to hit net new money targets or AUM targets through deposits. The deposits that we take, we're taking because people want to put money on deposit with us. We've got a very good track record now of converting those deposits over a period of time into wealth products.

The deposits themselves, I mean, certainly because we're not subsidising our deposit levels in any meaningful way, we're very happy to take the deposits. That's a valuable accretive business. We like the deposits, we like the wealth products more. So we just want to make sure that the relationship is set up for people to keep their money with us as they go into riskier assets. But I mean, there is definitely competition for deposits. Yeah but broadly, are we looking to shift the mix? No, we're not looking to shift the mix. We're looking to optimise our returns.

Perlie Mong – Bank of America: And to bring it all together, your income guidance for the year is around the middle of the 5-7% range. Given your performance in half one was already up 9% year-on-year ex the Solv India gain in 2025, what are you watching out for the second half of the year that might explain some of that conservativeness in your guidance?

Bill Winters: Yeah. Well, I mean, the good news is we're completely focused on exceeding every target that we've set. We haven't changed our guidance and you're not going to hear that from me today. But the focus for the team is to maximise. That [said], if we can hit all these targets earlier or better, I can assure you we're going to [try to] do that. There's none of this, let's get it in the bag and save it for next year stuff. It doesn't happen. If it does, it's totally invisible to me.

So, what could go wrong? Well, obviously we had relatively brief periods of risk-off when it looked like both the war in the Middle East and the war in Europe, Ukraine was hotting up in a disruptive way. Markets seems to have gotten over that to a significant degree. I think there's probably some hope built into the markets right now that there will be some sort of a diplomatic breakthrough, at least in the Middle East conflict, during the time when UN leaders are together or global leaders are together at the UN. I wouldn't attach a whole lot of hopefulness to that. I would hope there could be some progress because this thing is going nowhere and it's very damaging to the world and all participants, but it's hard to see that anybody's ready to capitulate. But beyond that, I think we were all keen to see whether and how the market reacted to Central Bank action, whether they had cut or not cut, or sorry, raised or not raised. As it turns out, the Fed raised, other developed market Central Banks are clearly raising led by the ECB, and emerging economies have been ahead of the curve on that. So far, no markets have taken the new rate stance badly, in terms of a significant risk aversion, but we'll continue to watch that quite carefully to see if the market's at some sort of a tipping point, but you're all watching the same things as we are.

Perlie Mong – Bank of America: Of course. That's all I have on the income side of things, so I'm going to ask you a couple of questions on cost. Total costs are broadly flat this year on your guidance. So the operating leverage would be pretty significant at 6%, if not higher. Clearly that reflects some efficiency investments in the last few years. And going forward, what do you think is the right relationship between income and cost, and how are you thinking about AI in that context?

Bill Winters: I mean, the things that we're looking at quite carefully are of course the outright expense level. We've guided to a 57% cost income ratio, which was part of a steady improvement in that cost income ratio over time. That of course will require us to maintain consistently positive jaws in order to achieve that. That all feels achievable.

So, the AI dynamic is really interesting. On the one hand, actually most of the investment capital from our bank and others that's gone into the AI space has been productivity related. It started with code completion and coding tools, which I won't say it's a no-brainer, but it's pretty straightforward to reduce the number of coders that you have and allow the coders to focus on value added work, which is by the way, the number of coders that we have has increased, not decreased, because we're building stuff. But clearly, they're doing less of the mundane kind of entry level coding work.

At the other end of the spectrum are the revenue opportunities. Probably the most obvious for us is deploying agentic AI capabilities into our wealth platform and doing that in a way that is highly supportive of our relationship managers rather than displacing our relationship managers. That's what our customers want. They want the human interface but they want to know that they've got the best tools that AI allows, directly supporting them in terms of research and things, but through their RM where it requires some interpretation or a stamp of trust. And those are the areas where we have focused the most ourselves.

But as I mentioned in May, and as Noelle, our Head of Technology, and Tanuj mentioned in their full presentation in May, we've spent the past several years building our foundation layer to be fit for purpose in the AI world. And some of that was ordinary course foundation building, but very few people have done it. We have a single core banking system across, which is cloud-based and proprietary, across all of our markets. We have three to go, which is Korea, Taiwan, and Thailand. But we had completed Hong Kong at the time that we met in May, and 50 other markets. So, we've had no incident in any of those migrations.

That and having for two thirds of the world, our data centres in the East, we have a state-of-the-art set of data centre capabilities, in our case split between Hong Kong and Singapore, that enables the quick and safe, and maybe not really underscore the safe, introduction of AI tools onto a platform that is built for that environment. We'll complete the West, which is our UK data centres over the course of the next 12 months or 18 months or so. At that point, we'll have a really, really strong underlying infrastructure.

The other thing we did though, was we backed away from the 50 or 60 different use cases being developed by businesses and functions in AI into building a single AI platform. So our service bench, our foundation layer, which meant we slowed things down a couple years ago, but then came full speed towards the middle of last year. We've added, I think, 500 applications onto that AI factory in the meantime. Some of them are exactly the kind of code completion, technology enhancement, system testing, controls testing, financial crime compliance monitoring, etc, etc. Some are revenue enhancing, algorithmic trading enhancements, market signalling, distillation. I mentioned the agentic AI in the context of wealth advice. So things are accelerating, it's very exciting. Does it contribute to our cost and cost income targets? Absolutely.

But there's something else going on at the same time, which is the flip side of the AI opportunities are the AI threats. Cybersecurity concerns are enormous right now. These concerns have not penetrated the banking [sector]. We've not seen evidence of attacks on the banking sector as yet, typically because banks are the hardest to penetrate because we've invested billions of dollars to have the protections in place to prevent exactly the kind of attacks that would come in through these vulnerabilities that are being identified. But as we know, if OpenAI itself can be penetrated, if Microsoft itself can be penetrated, eventually with enough time and effort, they'll be able to penetrate a bank at some level. Our response to that, of course, is to have the AI tools ourselves.

And we get the question all the time, "Are you in Glasswing?" Which is obviously the Anthropic mythos test case. We have access to mythos. We got it late, later than the Americans, but together with others outside of the US. But what we found is that 97, 98% of the vulnerabilities that we and others can identify in mythos, we had already found using other frontier models that weren't as advanced, but were advanced enough to spot these vulnerabilities. But we also see Microsoft came out a couple weeks ago with 969 new vulnerabilities. Many of those will attach to us as they attach to anybody using Microsoft Office or Azure just to pick a couple. And they had patches for 960, 30 they didn't. Are we going to get better at spotting these things ourselves so that we don't have to hear it from Microsoft? When I say, "We," I mean the industry, because I'm not aware that anybody had either identified or exploited these vulnerabilities before they were identified by Microsoft, but we don't know. So definitely stepping up our spend on cyber in order to protect against a much more substantial threat.

Perlie Mong – Bank of America: That makes sense. Speaking of threats, et cetera, so I might take the opportunity to ask you about some of the headlines today on AML. Would you like to make a comment on that?

Bill Winters: Sure. Yeah. I mean, those of you that have read The Financial Times, the first you'll keep in mind it's the Financial Times and you read into that whatever you want, but they did some actually quite good investigative work. I think somebody did a data dump. Somebody leaked some documents from some investigation about a money laundering network out of Russia called A7. The headline was Standard Chartered and a few other banks were engaged somehow. We were victims or we transferred money for bad guys, which is true. Of course, we knew about this network. We identified the nodes in the network. We closed the accounts. We filed the suspicious activity reports, which no doubt helps the investigators to understand how this very, very sophisticated Russian money laundering network work. That's what we do. We do that all the time. We file tens, hundreds of thousands of SARs (Suspicious Activity Reports). When we see something untoward, and if we see enough of a pattern, we shut the account.

Just maybe just a little bit of explanation, the way things work in the financial crime space. If a party is sanctioned, we immediately are aware of that, we put it into our transaction monitoring systems. We have no transactions with sanctioned parties. It never happens. So if they're sanctioned, some sanctioned party tries to deal through us, it's blocked. Transaction is never initiated. For payments that we get through our correspondent banking network, and in these cases I believe were all correspondent banking situations, our respondent bank, so the bank that uses us to effectively get to some end client, they make the payment to us. We were the receiving bank in these cases. That process goes straight-through. The payments are straight-through process unless it's blocked because the sender is a sanctioned party. These were not sanctioned parties. These were respondent banks in China or elsewhere.

We then review every transaction as it comes through to see if there's a pattern of payments or a pattern of beneficiaries that says to us we should be concerned about this. If we're concerned, we file a SAR. Like I said, hundreds of thousands of SARs. If we're not concerned, it goes straight-through. Sometimes it requires quite an elaborate bit of data analysis to understand the patterns of money movement. Where was it coming from back

in the chain? Where is it going to? Is the payment pattern unusual in some way? So it could take a day, it could take a month, it could take six months for us to determine enough of the fact pattern to warrant closing the account. In every one of the cases that were mentioned in the Financial Times, we closed the account before it was ever public, before we ever heard any word from investigators or OFAC or the HKMA's financial crime surveillance authorities.

So this is what we do. We did it in this case. Good for the FT to have uncovered this Russian money laundering ring. Why they put in the headline, Standard Chartered, Citibank, DBS are involved, go figure because you have to get to paragraph 22 before you see where they say, "Oh, and by the way, Standard Chartered exited all those relationships. And when they did exit, it seems that the money laundering ring circumvented someplace else," the UAE or something. Anyway, that's what we do. We're very, very happy. We're very proud of it actually. We have state-of-the-art systems, but money laundering, especially when you've got people who are determined to break the law, it's a tough one to catch in the first instance, but we do catch it.

Perlie Mong – Bank of America: That's great to hear. So capital then, we've gone through all the P&L lines. At the CMD, you've guided to a broadly even split between growth dividends and buybacks. So starting with growth, where are you most actively deploying capital at the moment? And you've talked a lot about AI spend and resources that need to be spent on cybersecurity, et cetera. So how are you deploying that capital at the moment? And over time, how are you thinking about a balance between dividends and buybacks?

Bill Winters: Yeah. Well, I mean, there's capital in those expense. So obviously they're correlated, but they're not exactly the same. The expense is clearly going into our growth areas of all things cross-border and affluent. So that's continuing to build out our FX capabilities, continuing to build out our transaction banking with a particular focus on what's becoming quite a substantial area of activity around digital assets. As you know, we've been invested in that space for quite a while. And now we're seeing that the real use cases come through in the institutional world well beyond the crypto world. So these are areas of ongoing focus and expense accretion.

In terms of capital, as you mentioned before, we have seen some, I used to call it modest loan growth in a very attractive environment. More of that is showing up in our trading book than our banking book. And more of that is transitory, either underwriting positions rather than buy and hold. But frequently we'll have an underwriting position where we retain a piece. So those opportunities which are supporting the big growth in Banking are interesting incremental areas to deploy capital. And of course, we're always weighing the trade-off between using capital for underlying business growth, keeping in mind that the fastest growing RWA area is actually operational risk for all the obvious reasons. The business is growing, transaction volumes are growing, the threat environment is substantial. But we also have some loan growth and we've had quite modest growth in Markets despite the growth in the business.

But we'll always look at any incremental growth of capital deployment against what we could do alternatively in terms of returning that to shareholders. Different calculation at 1.7 times book than it was at 0.6 times book, but nevertheless, we're very, very, very, very comfortable buying back our shares at this price because we think we've got quite a long way to go. But it does cause us to think about how we balance buybacks versus dividends. We're 2.3 or 2.4% dividend yield right now, which we're fully aware is below the level that some income funds would be comfortable engaging. Obviously we're at 2.4% because our share price has gone up, not because we've dropped the dividend. Would we think about how we balance that as we go through our dividend versus buyback versus organic growth? Yeah, we'll consider all those things.

Perlie Mong – Bank of America: Of course. We've got about 10 minutes left, so I'll take the opportunity to ask the floor for questions. There's one over there.

Unidentified speaker: Hi. Yeah, thanks for the discussion. Quick question with respect to what's your thought or view around how the risk management landscape or transformation is happening to keep speed with the pace of AI adoption and digital capabilities?

Bill Winters: I feel like I missed the operative word. The what risk management outlook?

Unidentified speaker: Just your thought around how the risk management landscape is evolving, transforming [generally] to keep up with the pace of AI adoption and digital capabilities.

Bill Winters: Well, I don't think we've changed anything in terms of our orientation. I know when I speak to our CISO (Cyber Information Security Officer), probably every other day these days and whenever there's an event or a piece of news, and going back two years when the frontier models, it was becoming clear that this was a new threat or at least a new form of threat. His response to me was, "What part of this do you think we haven't been preparing for, for the past five years? What part of segmenting our network, layering our defences, monitoring network traffic? Nothing's changed. The only thing that's changed is it's happening faster." The time between the identification of a vulnerability and the ability for a bad actor to exploit that has gone from 10 to 12 days to 10 to 12 minutes as a practical matter. So what we have to do to respond to that is to have AI tools that ideally are identifying the vulnerability before the bad guys do. But if we have no edge in identifying that, then we have to assume we're going to find it at about the same time as the bad guys do, which means that we immediately have to put a mitigating action in place.

I remember when I first joined Standard Chartered, our internal SLA [service-level agreement] for addressing a high-risk vulnerability was four days. Oh, now it's four minutes. And if we don't have a patch for the vulnerability that's been identified, which typically is going to come from a vendor, so Microsoft or somebody else, then we have to put some mitigants in place in terms of monitoring the network traffic, and we have to be prepared to pull the plug on that internet-facing whatever it is, whatever the vulnerability is embedded in. We may just have to shut that channel down. If we're shutting down some sort of internal data communication channel, it may not matter. If we're shutting down online banking to our customers in Hong Kong, it matters. So we obviously take that very seriously. But we will shut down a channel if we haven't built the resiliency to fail over to something else, which that may be the case in some cases, then we'll put the mitigants in place to address that as best we can. So nothing's changed in the risk management framework, but everything has changed in terms of the speed that we have to respond and address these issues.

Perlie Mong – Bank of America: Any more questions? Well, if not, maybe I can ask you a question, maybe just stepping back on the regulatory environment. Because obviously we've seen some headlines on various Chinese authorities tightening, but if you look at things like the Hong Kong's new Five-Year Plan, the direction of travel regarding structural themes, like RMB internationalisation, is still very much supported by the government. So maybe from your perspective, why do you think we are seeing a slight disconnect in some of these things?

Bill Winters: Bill Winters: Yeah. I think you're right that the headlines are the headlines, and they came in waves. We saw the crackdown on what would appear to be illegally-operating Hong Kong based securities companies that didn't have a license to operate in China, but were harvesting lots of money through third-party agents in the Mainland into their accounts in Hong Kong. Well, they were identified, sanctioned, fined. They're still there, but I'm sure they're much more careful about the way they go about their activity.

We have a bank in Mainland China that the majority of the clients that opened up with us in Hong Kong or Singapore already have an account with us in Shenzhen or Beijing or Shanghai. So we've never done things the wrong way in terms of opening up accounts offshore China vis-a-vis the onshore authorities, so there's no change in our activity. There's no change in our protocols. And we actually saw a slight increase in the levels of activity, I think, because clients were probably a little bit wary of going with some of these other companies. That's normalised, subsequently. Normalised, but still at quite a high level.

There's a crackdown on various offshore disclosure and tax issues, in particular offshore trusts. This, to me, is normal stuff in a maturing economy. And of course, China has the same fiscal pressures as everybody else. And they say, "Okay, we're perfectly willing," I don't know if they're happy or unhappy, but perfectly willing to have their citizens diversify their wealth holdings across a range of instruments. There are capital controls internally, currency controls internally, so if they're going to get diversification, it's going to be offshore. They clearly are comfortable with that trend, but they do want people to pay taxes on the things that they're obliged to pay taxes on. In some cases, the tax rules were unclear. They clarified them. In some cases there was active avoidance, the trust structures in particular. No material impact on our business. We've never organised or oriented ourselves to tax avoidance, or certainly not tax evasion. And our trust business is relatively small, and that trust business itself has a small proportion of Mainland Chinese customers. So no material impact for us.

But when you string the things together, you could think it looks like they're cracking down on offshore money. But at the same time, the instruments and tools that they're putting in place around the internationalisation of the RMB, the substantial issuance of RMB-denominated bonds offshore China, typically in Hong Kong, the active promotion of payment platforms that will have the effect of encouraging the deployment of RMB and a diversity of justification of other currencies offshore, that's all happening. So I think it'd be safe to say that we're not concerned at all. But of course we have to watch, because China is gradually relaxing its capital controls. They're gradually relaxing their currency restrictions. They're gradually increasing the attractiveness of the RMB as an international currency of trade and investment. They're allowing for a portfolio or collection of RMB instruments to be created offshore. Thankfully, these are all things that are right in our sweet spot. And I mean, dare I be mercantilist about it and say we make a lot of money as China opens up in this way. We are the primary, we are the leading RMB bank in the world. And I say that recognising that there are other big banks that might make a similar claim, but every indication is that we are at the cutting-edge of the internationalisation of the RMB.

You may ask, "Is that going to get you in trouble with the US?" I think not, because the way we're going about this business is highly responsibly. So when the EU or the UK or the US imposes a sanction on some party that may have some Chinese connection, we impose that sanction. We file the SARs, we engage. So I think we're seen as a force for good by all sides and we're keeping in mind that the United States still buys a lot of product that either comes directly or indirectly from China. And those trading relationships need to remain strong, and strong enough that the two Presidents are meeting together this week. So yeah, overall I would say keep a watchful eye, but there's nothing that we're seeing that's concerning.

Perlie Mong – Bank of America: Okay. Any last-minute questions for Bill? If not, then we are almost out of time. Oh, there is one.

Unidentified speaker: We've seen that in Europe, the ECB has recently launched its digital euro through the wholesale banking channel. Do you see any governments, in the countries that you operate in, following suit? And if so, is that a threat or an opportunity for you?

Bill Winters: It's an opportunity, I think everywhere. I think you know our view that money will go digital one way or another, faster or slower. And Europe and the UK had been pretty slow in terms of adoption. The UK, as you know, is not adopting at a government level. The EU said we're only adopting at a government level. So it's been difficult for stablecoins to operate in the same way in the EU as they have elsewhere or in some other markets. So I think the wholesale digital euro, it's good. It's extremely well-designed. It's consistent with the regulatory format in Europe, MiCA, and there will be take-up over time. But I think it'll be sitting side by side with US dollar stablecoins and perhaps other countries' digital currencies. China, of course, has had a central bank digital currency for some time. It's not actively used, but it is used, say for example, on their mBridge platform, which is central bank to central bank. And they've got a new platform, of which we are a pilot member as well, that's bilateral, but still central bank to central bank.

So I think central bank issued digital currencies have a place in the armoury of tools that people will use to move money. I think we could assume that they'll be safe and well regulated, and we could also assume that they're not going to be as flexible or agile in terms of adapting to customer needs, which is why we'll have privately issued stablecoins. We're issuing stablecoins in Hong Kong and we're finding hundreds of use cases. We just got the license two months ago. We're up and running now with the initial transactions. Hundreds and hundreds of use cases in the crypto world, which is where stablecoins are native, but also in terms of cross-border trade, cross-border payments, treasury operations. So I'm very optimistic about there being a plethora of forms of digital money that will work for different people in different circumstances. Central bank digital currency has one place.

Perlie Mong – Bank of America: Great. We're almost out of time now. Thank you very much, Bill, for joining us today.

Bill Winters: Thank you for having me.