

1Q'21 Results Presentation

29 April 2021



standard
chartered

Economic recovery advanced in many of our markets in 1Q'21

We are well positioned to support our clients, colleagues and communities

1Q'21 summary

- We delivered a strong performance in 1Q'21
 - Record quarter in Wealth Management¹; Financial Markets ex-DVA up 7%
 - Loans and advances to customers up 4% QoQ
 - PBT up 19%² driven by business momentum and lower impairments
- Areas of strategic focus continue to develop well
- The pace of global recovery will be volatile and uneven...
- ... but the outlook is positive and we expect income to start growing again in 2H'21

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Strategic progress

- **Network:** continued growth in digitally initiated transactions, up 3%pts in 1Q'21 to 44%
- **Affluent:** added over 400,000 new affluent clients in the last 12 months³, 2/3rd from Mass Retail
- **Mass Retail:** Mox client base in Hong Kong increased 50% year-to-date to 100,000 clients
- **Sustainability:** launched market-first sustainable trade finance proposition



The Group delivered a strong performance in 1Q'21

Positive business momentum and low impairment more than offset NII headwinds

(\$bn)	1Q'20	1Q'21	YoY ¹	Ccy ¹
Net interest income	1.8	1.7	(10)%	(11)%
Other income (ex-DVA)	2.2	2.3	4%	3%
Operating Income (ex-DVA)	4.0	3.9	(2)%	(3)%
DVA	0.3	0.0	Nm ¹	Nm ¹
Operating income	4.3	3.9	(9)%	(10)%
Operating expenses	(2.4)	(2.5)	(6)%	(4)%
Pre-provision operating profit	2.0	1.4	(27)%	(27)%
Credit impairment	(1.0)	(0.0)	98%	98%
Other impairment	0.2	(0.0)	Nm ¹	Nm ¹
Profit from associates	0.1	0.0	(15)%	(15)%
Underlying profit before tax	1.2	1.4	18%	19%
Restructuring	(0.1)	(0.0)	64%	65%
Goodwill impairment	(0.2)	-	Nm ¹	Nm ¹
Other items	0.0	-	Nm ¹	Nm ¹
Statutory profit before tax	0.9	1.4	59%	61%
Risk-weighted assets	273	277	1%	
Net interest margin (NIM) (%)	1.52	1.22	(30)bps	
CET1 ratio (%)	13.4	14.0	60bps	
Liquidity coverage ratio (LCR) (%)	142	150	8%pt	
Underlying RoTE (%)	8.6	10.8	220bps	

- Income momentum offset by low interest rates
 - NIM broadly stable at 122bps, down 30bps YoY
 - ~\$380m headwind to NII vs 1Q'20²
 - Other income ex-DVA up 4%
- Expenses up 6%, down 5% QoQ
 - Normalised performance-related pay accrual and investment
- Credit impairment \$20m; exceptionally low
 - Stage 1&2 net release of \$(35)m; Stage 3 \$55m
 - 'High risk' assets down \$1.1bn QoQ
- Profit before tax up 19% at ccy
- Client demand drove growth
 - Loan and advances to customers up \$10bn / 4%
 - Risk-weighted assets up \$8bn / 3%
- Capital is strong; CET1 at top of 13-14% range

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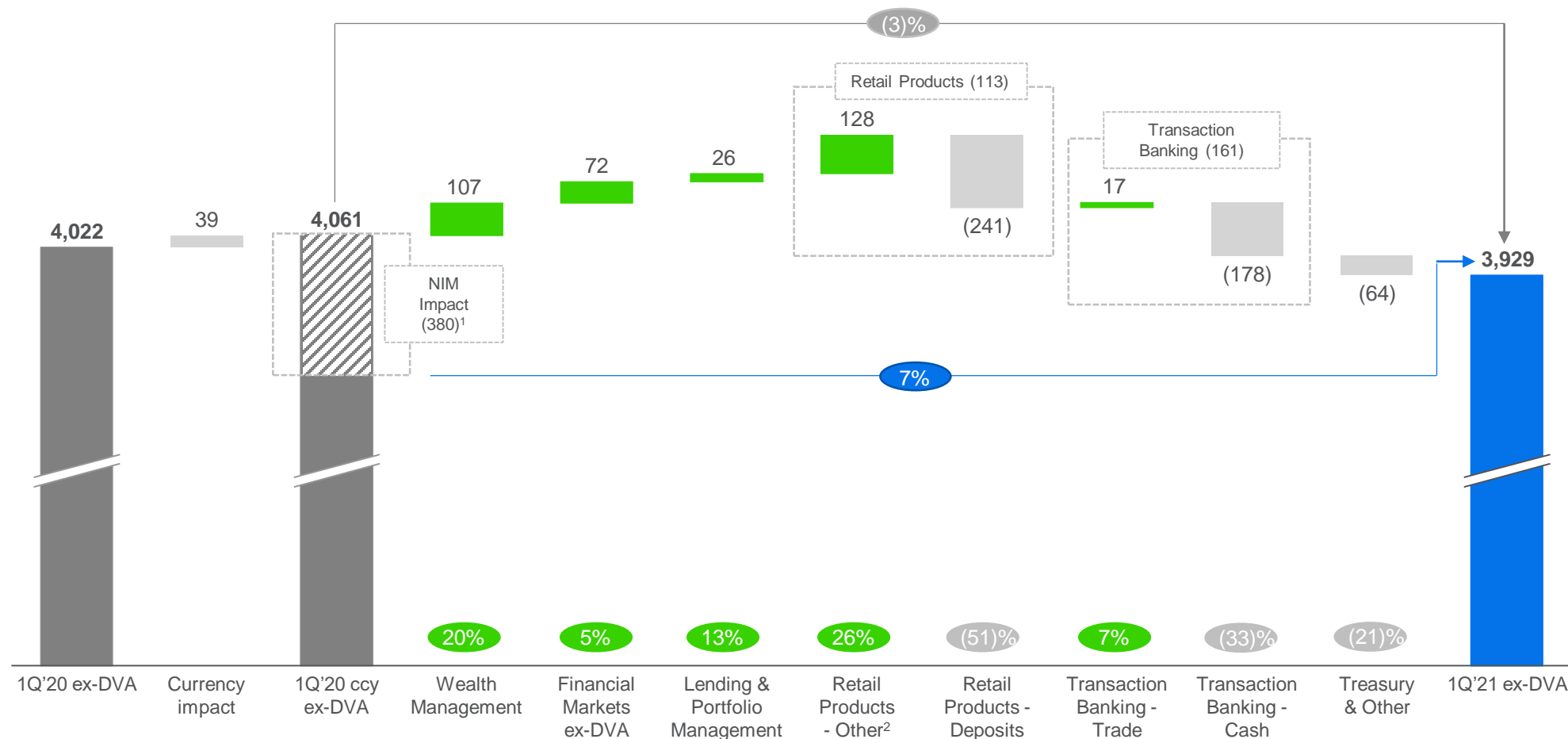
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Record WM quarter and another good performance in FM

Benefits of product diversity outweighed for now by NII headwinds

Income 1Q'21 vs 1Q'20 (\$m)

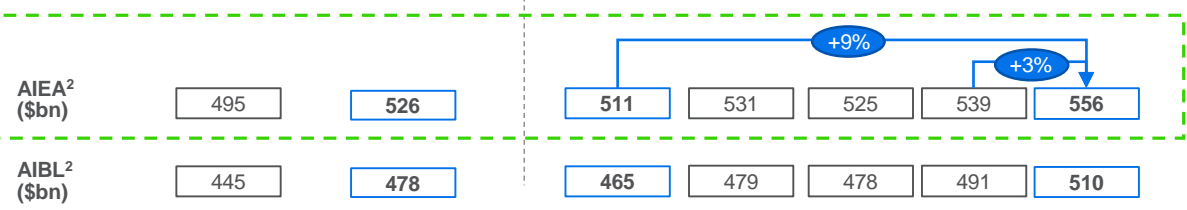
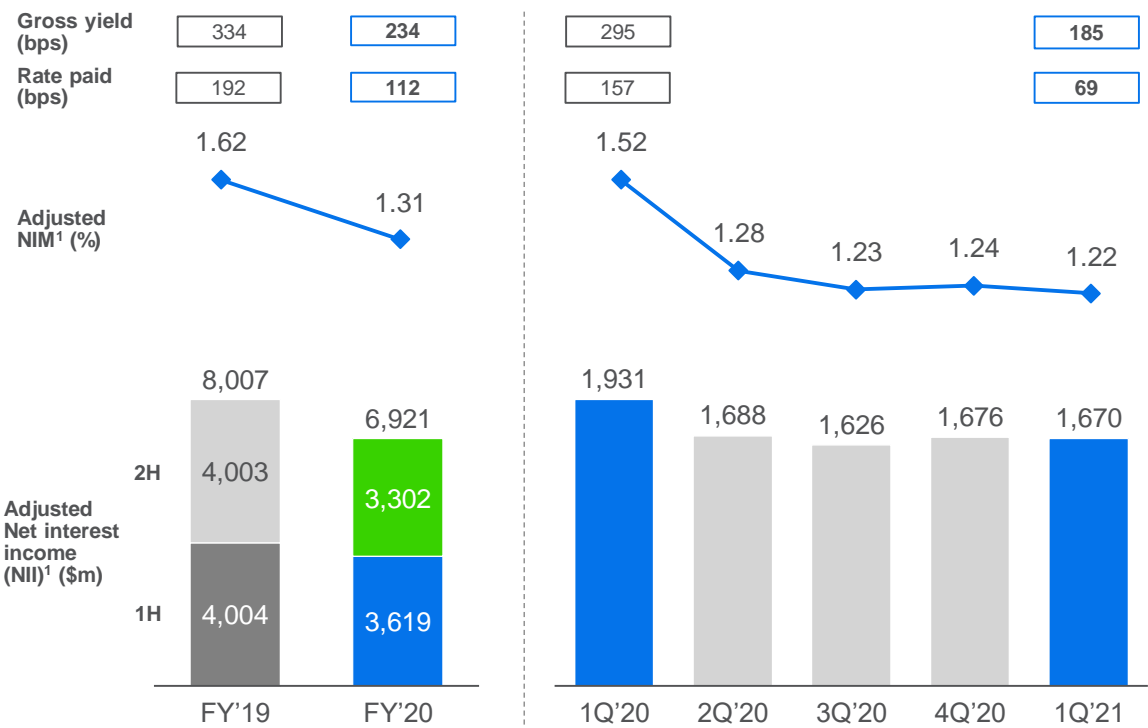


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NII significantly impacted by 30bps YoY reduction in NIM...

...however in 1Q'21 the NIM broadly stabilised and assets continued to grow



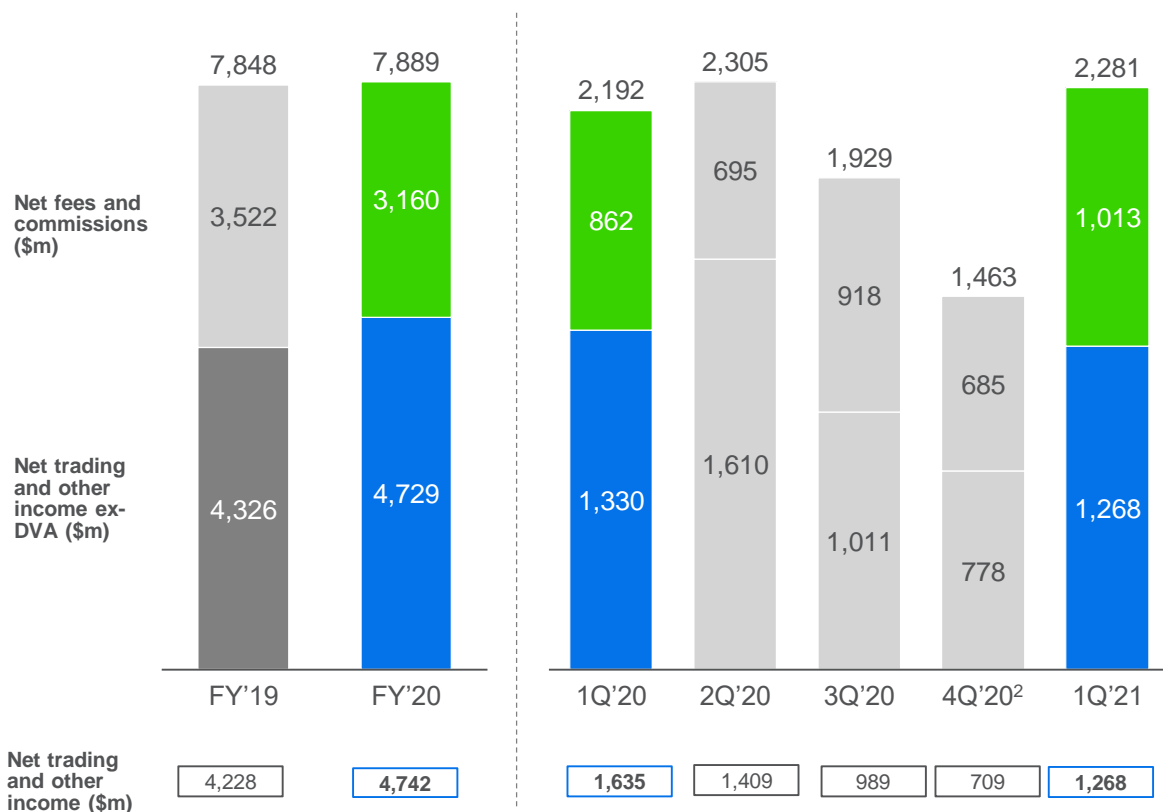
- AIEA up 3% QoQ and AIBL up 4%²
- Adjusted NII down 14% YoY
 - NIM down 30bps / 20% YoY
 - ~\$380m headwind to NII vs 1Q'20³
 - Up 3% QoQ adjusting for day-count and one-off interest credit in 4Q'20
- Adjusted NIM down 2bp QoQ
 - 2bps one-off interest credit in 4Q'20
- Expected drivers of NII in FY'21:
 - Broadly stable NIM over remainder of the year
 - Continued client demand
 - Further mix / pricing improvements
 - Treasury assets tenor extension

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Other income was up 4% from strong net fees and commissions... ... and is now 58% of total income up from 54% in 1Q'20¹

Income, statutory basis (\$m)



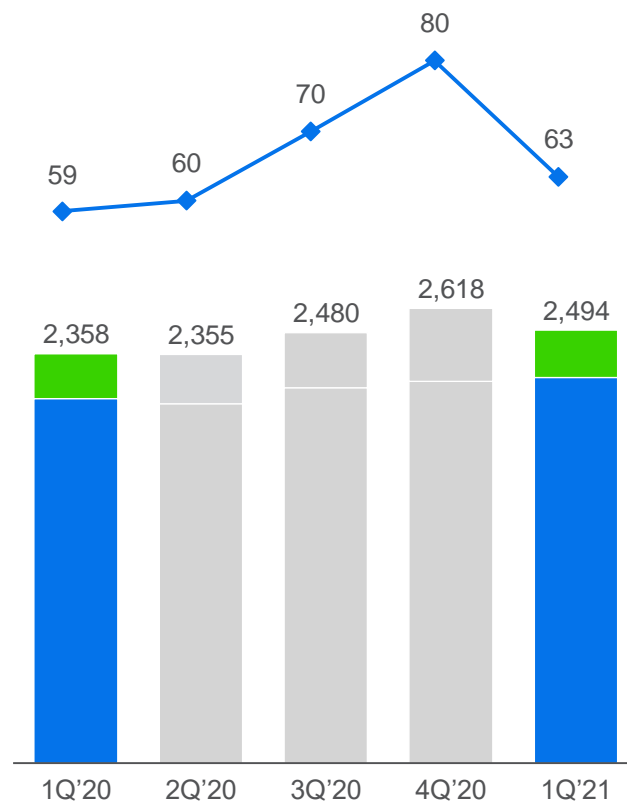
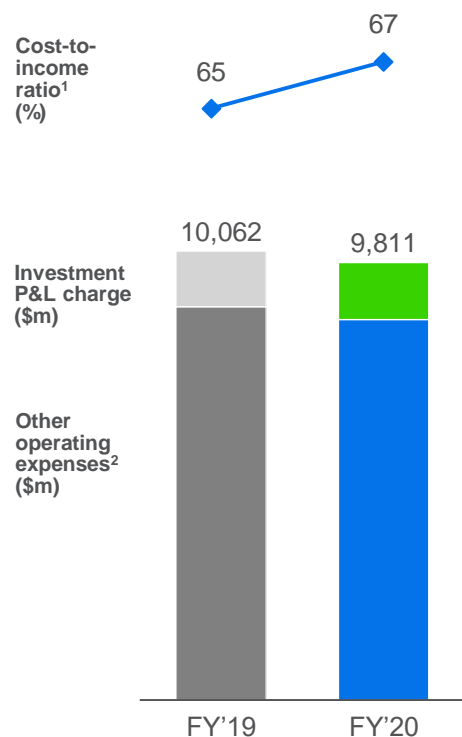
- Net fees and commissions up 18% YoY, up 48% QoQ²
 - CPBB up 23% YoY driven by Wealth Management
 - CCIB up 10% YoY driven by Transaction Banking and Financial Markets
- Net trading and other income down 5% ex-DVA
 - Lower treasury realisation gains

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Expenses increased in 1Q'21 as we continue to invest

FY'21 expenses likely to remain below \$10bn at constant currency



- Expenses 6% higher YoY; 4% ccy
 - Performance-related pay accrual normalised
 - Down 5% QoQ
 - Cash investment spend up 21%
- Continue to invest in transformational digital initiatives
- FY'21 expenses target below \$10bn ccy...
- ... though may increase slightly driven by performance-related pay
- Further actions to drive productivity over the medium-term
 - Halve branch network to ~400
 - Reduce office space by around 1/3
 - Drive automation to enable the re-shaping of the workforce
 - ~\$0.5bn restructuring charge likely, mainly in 2021

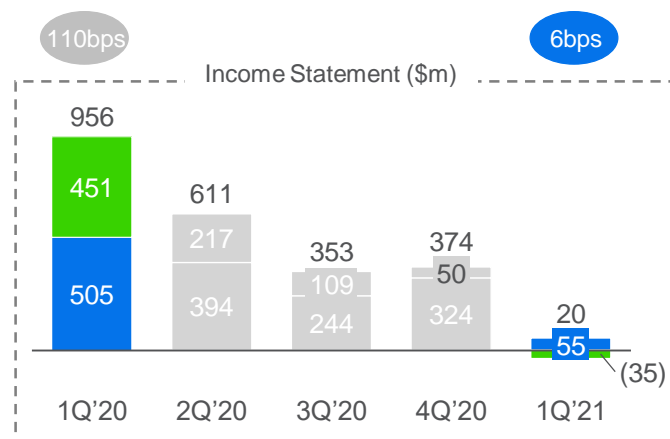
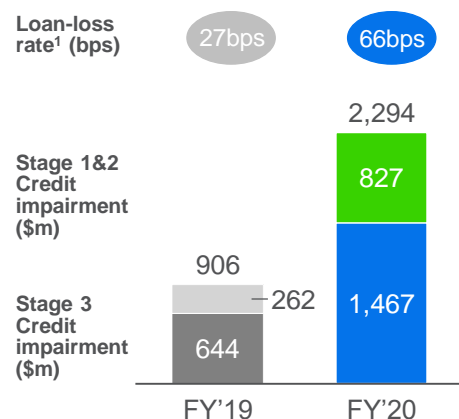
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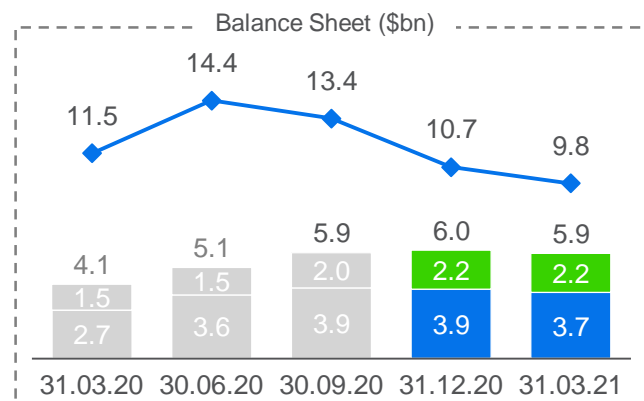
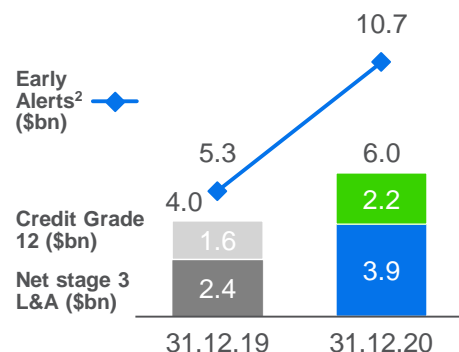
Exceptionally low impairment charge in the first quarter

Uncertainties remain particularly in some markets and sectors

Credit impairment (\$m) / Loan-loss rate (bps)



Credit quality (\$bn)



- Credit impairment down \$936m / 98%
 - Stage 1 & 2 net release of \$35m
 - Overlay reduced \$14m to \$339m³
 - Stage 3 down \$269m QoQ
- Expect FY'21 charges will be significantly lower YoY...
- ... in or below our 35-40bps medium-term guidance range
- 'High risk' assets down \$1.1bn QoQ⁴
- Strong cover ratio of 77%⁵
- 'Vulnerable sectors'⁶ stable at 7% of Group L&A
- Loans subject to relief⁷ down \$1.4bn QoQ to \$2.2bn
- Days-past-due⁸ broadly stable in 1Q'21

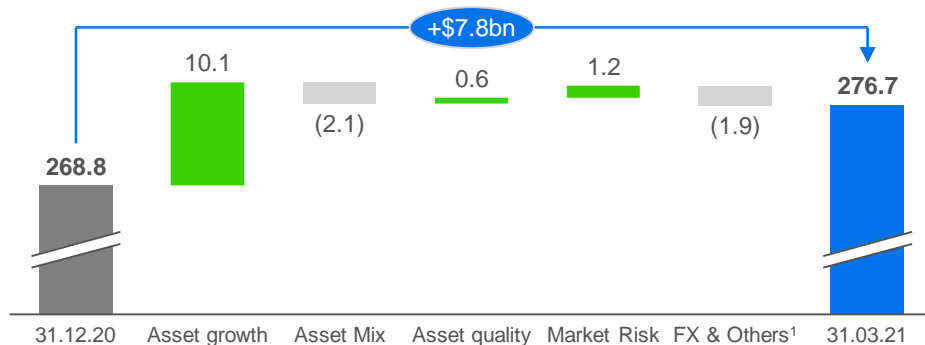
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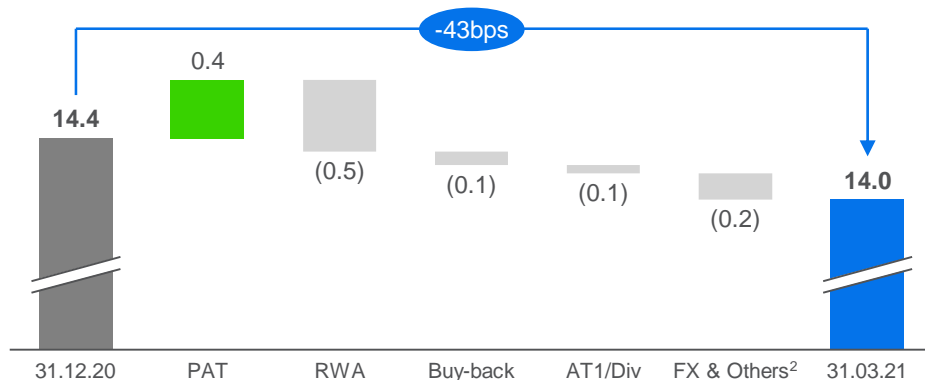
RWA growth driven by client demand and seasonality

CET1 remains at the top of the 13-14% range

Risk-weighted assets (RWA) (\$bn)



CET1 ratio (%)



- RWA up \$8bn (3%) from 31.12.20
 - Mainly client demand led asset growth particularly in Financial Markets and Retail Products
 - \$1bn market risk growth
 - RWA often rise the most in the first quarter
 - Mid-single digit YoY growth expected for FY'21
-
- CET1 at the top of 13-14% target range
 - Profits reinvested into client asset growth
 - Includes 1Q'21 buy-back and FY'21 interim dividend accrual
 - UK leverage ratio 5.1% well above the minimum requirement of 3.7%

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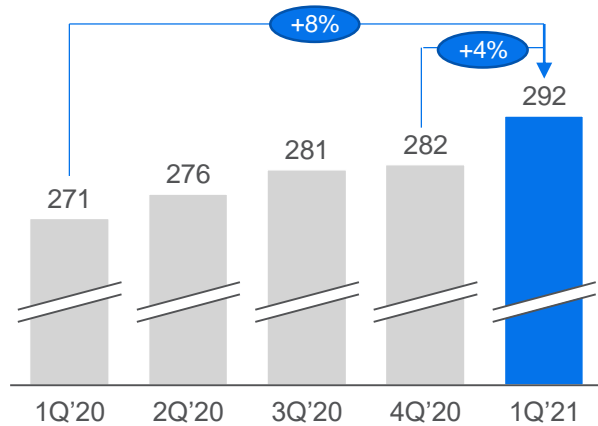
Concluding remarks

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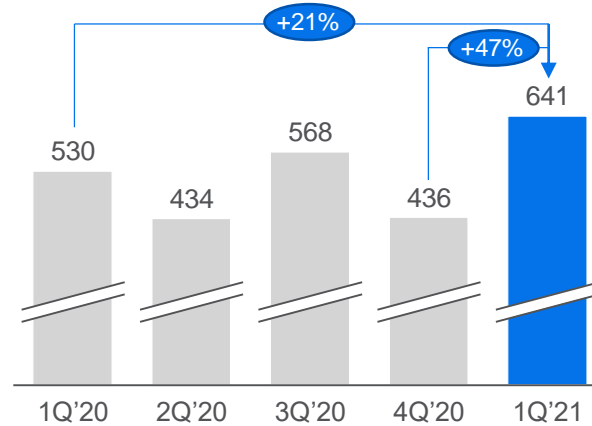
- Some of our larger markets will drive the global economy out of recession...
- ... although the pace of recovery will be volatile and uneven
- Actions to improve client experience and RoTE are advancing nicely
- Strong underlying business momentum continues and rates effects quickly diminish

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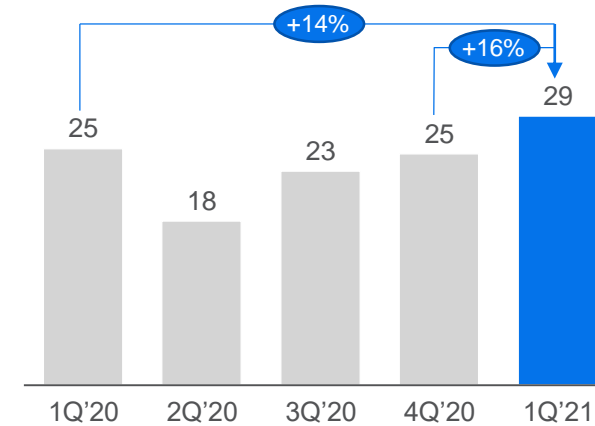
L&A to customers (\$bn)

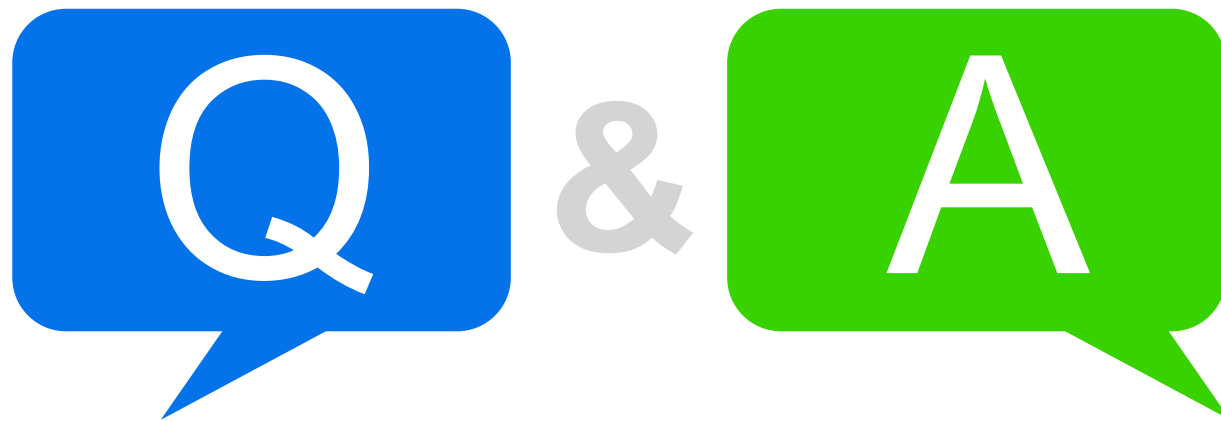


WM income (\$m)



Swift trade volumes¹ (\$bn)





Appendix

Summary of guidance, macroeconomic indicators, interest rate sensitivity, sustainability

Notes, abbreviated terms and important notice



Summary of guidance

	2021 guidance	Medium-term guidance
Income	<ul style="list-style-type: none"> FY'21 expected to be similar to FY'20 at ccy With the NIM having broadly stabilised we expect income to return to growth in 2H'21 compared to 2H'20 	<ul style="list-style-type: none"> We expect to return to 5-7% growth per annum from 2022 We assume minimal rate rises of ~30bps from 2021-2025
Expenses / Tax	<ul style="list-style-type: none"> FY'21 expenses (ex-UK bank levy) likely to increase slightly YoY but remain below \$10bn at ccy The UK bank levy will be chargeable only on the Group's UK balance sheet and is expected to reduce to ~\$100m 	<ul style="list-style-type: none"> Expenses (ex-UK bank levy) are expected to grow at or below the rate of inflation Strong positive income-to-cost jaws Further restructuring charges of ~\$0.5bn likely, mainly in FY'21 Effective Tax Rate is expected to fall below 30%
Credit impairment	<ul style="list-style-type: none"> We expect impairment charges to reduce significantly year-on-year in FY'21 with the loan loss rate likely to be in or below our 35-40 basis point medium-term guidance range 	<ul style="list-style-type: none"> Loan-loss rate is assumed to normalise to 35-40bps
RWA	<ul style="list-style-type: none"> Mid-single digit YoY growth is expected for FY'21 	<ul style="list-style-type: none"> RWA growth < Asset growth Day 1 impact of Basel 3 finalisation is now expected to be around the bottom end of our 5-10% guidance¹
Capital	<ul style="list-style-type: none"> We intend to operate within our 13-14% CET1 target range We will seek approval to return surplus capital not deployed to fund profitable growth 	<ul style="list-style-type: none"> We intend to operate within our 13-14% CET1 target range We expect to maximise flexibility to capture growth opportunities; dividend to be calibrated accordingly We expect to be able to increase the full-year dividend per share over time
RoTE	<ul style="list-style-type: none"> We will seek approval to return surplus capital not deployed to fund profitable growth 	<ul style="list-style-type: none"> We expect to deliver >7% RoTE by 2023 as we progress towards our >10% RoTE target We will seek approval to return surplus capital not deployed to fund profitable growth A +50bps point parallel shift in global rates could accelerate our ability to achieve a 10% RoTE by around a year



Stage 1 and 2 credit impairments

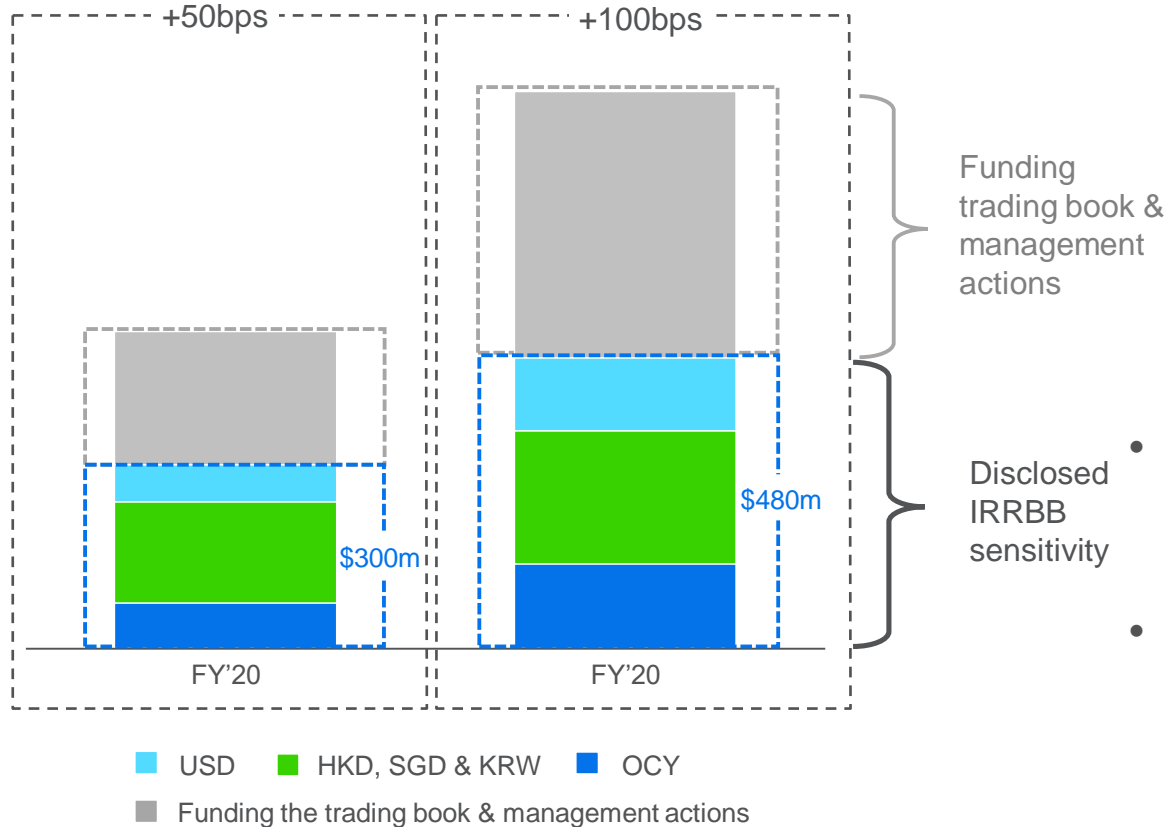
Changes to baseline forecasts¹ for key footprint markets: 4Q'20 to 1Q'21

	4Q'20 ⇒ 1Q'21					Crude price Brent, bbl
	China	Hong Kong	Korea	Singapore	India	
GDP (YoY): 2021 Forecast	8.0% ⇒ 8.0%	4.0% ⇒ 3.5%	3.3% ⇒ 2.9%	5.2% ⇒ 5.2%	10.0% ⇒ 11.5%	\$44 ⇒ \$51
GDP (YoY): 2022 Forecast	5.6%	3.0%	2.4%	4.4%	5.0%	\$58
GDP (YoY): 5 year average base forecast	6.0% ⇒ 5.3%	2.8% ⇒ 2.7%	2.8% ⇒ 2.8%	2.8% ⇒ 3.3%	6.4% ⇒ 7.1%	\$54 ⇒ \$57
Unemployment: 5 year average base forecast	3.4% ⇒ 3.4%	3.9% ⇒ 4.8%	3.3% ⇒ 3.5%	3.5% ⇒ 3.4%	N/A ⇒ N/A	
3 month interest rate: 5 year average base forecast	2.3% ⇒ 2.6%	0.9% ⇒ 0.8%	1.2% ⇒ 1.0%	0.7% ⇒ 0.7%	4.3% ⇒ 4.6%	
House prices (YoY): 5 year average base forecast	5.8% ⇒ 4.8%	3.7% ⇒ 3.8%	2.3% ⇒ 2.5%	4.0% ⇒ 4.1%	6.7% ⇒ 7.0%	



Formal IRRBB exercise does not capture full rate sensitivity

Annualised benefit to NII from instantaneous parallel shifts in interest rates across all currencies (\$m)^{1,2}



- The disclosed IRRBB sensitivities excludes
 - Rate sensitivity on trading book assets funded by banking book liabilities
 - Actions to improve to the balance sheet mix to mitigate expected customer behaviour
 - Management actions to capture the benefit of a steepening yield curve
- Sensitivity to a parallel shift in rates in reality is likely to be approximately double the hypothetical IRRBB modelled outcome
- Modelling assumptions are periodically updated to reflect experience, changes in expected pricing and customer behaviour



We will lead with a differentiated sustainability offering...

... catalysing the UN SDGs where it matters most

The opportunity

The challenge

- Not enough financing to meet the UN SDGs
 - 60% being met in EM; 10% in Africa
 - \$10trn financing gap in 15 footprint markets¹

We will be part of the solution

- 91% of our sustainable finance assets in EM
- #1 commercial provider of blended finance²
- Net-zero by 2030 for our operations
- Net-zero by 2050 for financed emissions
- Broad range of financing commitments
 - Facilitate \$75bn for infrastructure and renewables
 - \$15bn for small business clients
 - \$3bn for microfinance institutions
- No new direct coal financing; transitioning to finance clients <5% coal revenue dependent by 2030

Further progress in the quarter to accelerate to net-zero

- Launched Sustainable Trade Finance solution to support sustainable supply chains for our clients
- Facilitated \$4.1bn for clean technology and renewable energy companies
- Enhanced review of 158 clients and 139 transactions to identify potential risks to our position statements
- Joined as signatory to the Net-zero Banking Alliance and Poseidon Principles, an industry initiative to reduce carbon emissions in shipping
- Released research paper 'Zeronomics' on the economics of transitioning to a net-zero carbon future
- Established a Net-zero Steering Committee



Appendix

Summary of guidance, macroeconomic indicators, interest rate sensitivity, sustainability

Notes, abbreviated terms and important notice



Notes

These notes refer to the metrics and defined terms on the following pages

Page	Explanatory note or definition
2	<ol style="list-style-type: none">1Q'21 Wealth Management income is the highest quarter since the Group started disclosing operating income by product on a quarterly basis in 20141Q'21 year-on-year profit before tax growth on a constant currency basisLast 12 months is calculated using March 2020 to February 2021
3	<ol style="list-style-type: none">YoY = year-on-year variance is better/(worse) other than for RWA, CET1 ratio and LCR, which is increase/(decrease) / Ccy = constant currency / Nm = Not meaningfulNIM Headwind: NII impact of the 30bps decline in NIM = AIEA at 1Q'20 of \$511bn x 30bps for 90 days = ~\$380m
4	<ol style="list-style-type: none">NIM Headwind: NII impact of the 30bps decline in NIM = AIEA at 1Q'20 of \$511bn x 30bps for 90 days = ~\$380m'Retail Products – Other' includes: CCPL & other unsecured lending, Deposits, Mortgage & Auto and Other Retail Products
5	<ol style="list-style-type: none">Income Statutory basis; the Group in 2019 changed its accounting policy for net interest income and basis of preparation of its net interest margin to better reflect the underlying performance of its banking book. See notes to the financial statements in the 2019 Annual Report for further detailsAIEA = Average interest-earning assets / AIBL = Average interest-bearing liabilitiesNIM Headwind: NII impact of the 30bps decline in NIM = AIEA at 1Q'20 of \$511bn x 30bps for 90 days = ~\$380m
6	<ol style="list-style-type: none">Statutory basis net fees and commissions + net trading & other income, excluding DVA 1Q'21 vs 1Q'20 change; Statutory basis net fees and commissions + net trading & other income as a % of total income (excluding DVA)Net fees & commissions included a \$(104)m year-to-date (YTD) catch-up in 4Q'20 in relation to fee guarantees paid on CLOs. In previous quarters, this expense was reported as an interest expense but from 4Q'20 onwards it will be reported as a fee debit. The YTD catch-up reduced fees and commissions by \$104m and increased statutory net interest income by \$104m. There is no impact on total income or NIM
7	<ol style="list-style-type: none">Cost-to-income ratio is calculated as Income ex-DVA / Operating expense ex-UK bank levyExcludes the UK bank levy and investments



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These notes refer to the metrics and defined terms on the following pages

Page	Explanatory note or definition
8	<ol style="list-style-type: none"> 1. Loan-loss rate is on a year-to-date annualised basis 2. Early Alerts (Non-Purely Precautionary) (EA(NPP)) are on a net nominal basis 3. Stage 1 & 2 judgmental management overlay of \$339m excludes a \$(16)m release related to Hong Kong booked in 4Q'19 and released in 1Q'20 4. 'High risk' assets in this context means exposures classified in EA(NPP), CG12 and Net Stage 3 5. Cover ratio for 1Q'21 after collateral 6. 'Vulnerable sector' exposures were disclosed at 1Q'20 – refer to pages 33 and 34 of the 1Q'21 Press Release for further details 7. Loans subject to relief – see page 32 of the 1Q'21 Press Release for further details 8. CPBB accounts that are 30 or 90 Days Past Due
9	<ol style="list-style-type: none"> 1. RWA FX & Others include: Operational RWA +\$0.3bn, FX \$(1.8)bn and other including RWA efficiencies \$(0.4)bn 2. CET1 FX & Others include: (10)bps in higher regulatory deductions, FVOCI reserve movements (10)bps and (1)bps in FX partly offset by CRR II Software +6bps
10	<ol style="list-style-type: none"> 1. SWIFT Documentary Letters of Credit global volumes (MT 700) \$ volumes for Standard Chartered
13	<ol style="list-style-type: none"> 1. The Group had previously indicated the Day 1 impact of the finalisation of the Basel 3 reforms to be 5-10% of current RWAs. The current expectation for 'Day 1' is 1st January 2023, however there remains regulatory uncertainty concerning both the quantum and timing of such impact
14	<ol style="list-style-type: none"> 1. Source: Standard Chartered Global Research as-at 19 February 2021
15	<ol style="list-style-type: none"> 1. NII sensitivity estimate based on instantaneous parallel shift (increase or decrease) across all currencies. Estimate subject to significant modelling assumptions and subject to change 2. Refer to page 246 of the FY'20 Annual Report. IRRBB assumptions include that non-interest rate sensitive aspects of the size and mix of the balance sheet remain constant and that there are no specific management actions in response to the change in rates. Furthermore, revenue associated with trading book income positions is recognised in trading book income and is therefore excluded from the reported sensitivities
16	<ol style="list-style-type: none"> 1. Source: Opportunity 2030 Standard Chartered SDG Investment Map: SDG 6: Clean Water and Sanitation, SDG 7: Affordable and Clean Energy and SDG 9: Industry, Innovation and Infrastructure 2. Source: State of Blended Finance 2020 report from Convergence released in October 2020



Selected technical and abbreviated terms

Term	Definition
Affluent activities	Personal banking services offered to affluent and emerging affluent customers
AIBL	Average interest-bearing liabilities
AIEA	Average interest-earning assets
bps	Basis points
Ccy	A performance measure on a constant currency basis is presented such that comparative periods are adjusted for the current year's functional currency rate
CCIB	The Group's Corporate, Commercial & Institutional Banking segment
CET1	Common Equity Tier 1 capital, a measure of CET1 capital as a percentage of RWA
CG12	Credit Grade 12 accounts. Credit grades are indicators of likelihood of default. Credit grades 1 to 12 are assigned to performing customers, while credit grades 13 and 14 are assigned to non-performing or defaulted customers
CPBB	The Group's Consumer, Private & Business Banking segment
DPD	Days-Past-Due: one or more days that interest and/or principal payments are overdue based on the contractual terms
DVA	Debit Valuation Adjustment: the Group calculates DVA on its derivative liabilities to reflect changes in its own credit standing
EA / Early Alerts	Early Alerts: a non-purely precautionary early alert account is one which exhibits risk or potential weaknesses of a material nature requiring closer monitoring, supervision, or attention by management
EM	Emerging Markets
FM	The Group's Financial Markets business
L&A	Loans & Advances

Term	Definition
Loan-loss rate (LLR)	Total credit impairment for loans and advances to customers over average loans and advances to customers
na	Not applicable
Network activities	Corporate and institutional banking services offered to clients utilising the Group's unique network in 59 markets across Asia, Africa and the Middle East
NFI	Non-Funded Income
NII	Net Interest Income
NIM	Net Interest Margin: net interest income adjusted for interest expense incurred on amortised cost liabilities used to fund the Financial Markets business, divided by average interest-earning assets excluding financial assets measured at fair value through profit or loss
Nm	Not meaningful
PBT	Underlying profit before tax
PPOP	Pre-Provision Operating Profit: income net of expenses but before impairments
P&L	Profit and loss statement
QoQ	Quarter-on-Quarter change
RoTE	Return on Tangible Equity: the ratio of the current year's profit available for distribution to ordinary shareholders to the weighted average tangible equity, being ordinary shareholders' equity less the average goodwill and intangible assets for the reporting period. Where target RoTE is stated, this is based on profit and equity expectations for future periods
RWA	Risk-Weighted Assets are a measure of the Group's assets adjusted for their associated risks
WM	The Group's Wealth Management business
YoY	Year-on-Year change
%pt	Percentage point



Important notice

This document contains or incorporates by reference “forward-looking statements” regarding the belief or current expectations of Standard Chartered PLC (the “Company”), the board of the Company (the “Directors”) and other members of its senior management about the strategy, businesses and performance of the Company and its subsidiaries (the “Group”) and the other matters described in this document. Generally, words such as “may”, “could”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue” or similar expressions are intended to identify forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties. They are not guarantees of future performance and actual results could differ materially from those contained in the forward-looking statements. Recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements. Forward-looking statements are based on current views, estimates and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Group and are difficult to predict. Such risks, factors and uncertainties may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements. Such risks, factors and uncertainties include but are not limited to: changes in the credit quality and the recoverability of loans and amounts due from counterparties; changes in the Group’s financial models incorporating assumptions, judgments and estimates which may change over time; risks relating to capital, capital management and liquidity; risks associated with implementation of Basel III and uncertainty over the timing and scope of regulatory changes in various jurisdictions in which the Group operates; risks arising out of legal and regulatory matters, investigations and proceedings; operational risks inherent in the Group’s business; risks arising out of the Group’s holding company structure; risks associated with the recruitment, retention and development of senior management and other skilled personnel; risks associated with business expansion or other strategic actions, including engaging in acquisitions, disposals or other strategic transactions; reputational, compliance, conduct, information and cyber security and financial crime risks; global macroeconomic and geopolitical risks; risks arising out of the dispersion of the Group’s operations, the locations of its businesses and the legal, political and economic environment in such jurisdictions; competition; risks associated with the UK Banking Act 2009 and other similar legislation or regulations; risks associated with the discontinuance of IBORs and transition to alternative reference rates; changes in the credit ratings or outlook for the Group; market, interest rate, commodity prices, equity price and other market risk; foreign exchange risk; financial market volatility; systemic risk in the banking industry and among other financial institutions or corporate borrowers; country risk; risks arising from operating in markets with less developed judicial and dispute resolution systems; risks arising out of regional hostilities, terrorist attacks, social unrest or natural disasters; risks arising out of health crises and pandemics, such as the COVID-19 (coronavirus) outbreak; climate related transition and physical risks; business model disruption risks; the implications of a post-Brexit and the disruption that may result in the United Kingdom and globally from the withdrawal of the United Kingdom from the European Union; and failure to generate sufficient level of profits and cash flows to pay future dividends. Please refer to the Company’s latest Annual Report for a discussion of certain other risks and factors which may impact the Group’s future financial condition and performance.

Any forward-looking statement contained in this document is based on past or current trends and/or activities of the Company and should not be taken as a representation that such trends or activities will continue in the future. No statement in this document is intended to be a profit forecast or to imply that the earnings of the Company and/or the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Company and/or the Group. Each forward-looking statement speaks only as of the date of the particular statement. Except as required by any applicable law or regulations, the Company expressly disclaims any obligation or undertaking to release publicly or make any updates or revisions to any forward-looking statement contained herein whether as a result of new information, future events or otherwise.

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