TRANSCRIPT

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HOST
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SPEAKER
Mark Mason, Citi Chief Financial Officer

QUESTION AND ANSWER

BETSY GRASECK: Good morning. With me this afternoon, we're thrilled to have Mark Mason with us, Citigroup's CFO. Recent, right?

MARK MASON: Happy to be here.

BETSY GRASECK: Just a couple of months ago.

MARK MASON: Yeah.

BETSY GRASECK: This is full quarter number one?

MARK MASON: Yes.

BETSY GRASECK: All right. That's excellent. But you've been with Citi for what, like, 18 years?

MARK MASON: About 18 years, yes.

BETSY GRASECK: In a variety of different positions.

MARK MASON: A variety of different roles. And prior to this, I was CFO for the Institutional Client Group.

BETSY GRASECK: Yeah. All right. So we have a couple of kick-off polling questions to get people in the mood for Citigroup. So let's see, what's the biggest driver for Citigroup stock over the next year, in your opinion, A, consumer revenue growth; B, institutional or corporate revenue growth; C, emerging market growth; D, expense management; or E, capital returns? What is your expectation for the biggest driver for Citigroup over the next year or so?

MARK MASON: So, look, the biggest driver for value for Citigroup, I think, is our ability to deliver on our return targets. And that's frankly going to be a combination of delivering some top line growth plus or minus where GDP is, but also being able to deliver expense discipline, roughly flattish, and the capital return. So there's no one answer there. I can see that what the audience has suggested in terms of revenue growth in consumer business.

The good news is that we're seeing a lot of good traction in delivering consumer revenue growth. We saw it in the first quarter, particularly in North America with 4% revenue growth and branded cards really starting to deliver good momentum, but also good performance in retail services and continued strength in Asia and Mexico. So the consumer revenue growth, which, again, folks certainly pointed to, I think, is on a very, very good trend.

I guess, the second highest one is E, on capital return. And we talked about at Investor Day the idea of delivering $60 billion of capital over the course of the three CCAR cycles. We're at $41 billion now. And as many of you know, we submitted our CCAR stress test on April 5, and we're waiting to hear the results of that. But if you think back to how we ended the year with a CET1 ratio of 11.9% against the target of

11.5%, all things being equal, there is some capacity there. And so we submitted again subject to regulator approval but with some confidence that we should be able to deliver against that target as well.

BETSY GRASECK: Okay. Great. So the next question is what RoTCE do you think Citi can achieve in 2020 relative to their 2020 target of 13.5%? Well, we gave some softballs here 11%, 12%, 13%, or 14%? I think the softball has to do with where you are today but...

MARK MASON: Yeah. So am I supposed to answer before they…

BETSY GRASECK: No. Let's see what they say. 13%. Okay.

MARK MASON: 13%.

BETSY GRASECK: Yeah. All right. In the bracket of your target.

MARK MASON: Yeah. So as you know, we're targeting the 13.5% which is in the question there. And we've got a 12% target for this year and working hard to deliver against those against targets.

BETSY GRASECK: So as we go into the Q&A part, I just want to get a sense. You're one full quarter into your new role although I know that you've been working with John for a while before that. Just I want to understand what do you feel the most important part of your position is? What do you think the most interesting areas that you're thinking about, all the various hats you wear: strategy, capital allocation, treasury optimization, operational efficiency, how do you think through that?

MARK MASON: Yeah. So look, I mentioned it a couple of times already, which is that we are keenly focused on delivering against the targets we said at Investor Day, right? And in many ways in my mind, that is important for us to continue to build credibility with our shareholders. I feel like we're making good progress against that when you look at the RoTCE we hit last year and the progress that the first quarter would represent and the capital that I mentioned already. And in many ways, the role of the CFO has expanded over the years at Citi.

And I say that because we, by and large, move beyond the legacy issues that we've had. We're in a position, I think, at this point to really invest for future growth, which we've been doing. We're seeing good growth momentum in our consumer businesses. We're seeing good growth momentum in our accrual and transaction services, our treasury solution-type businesses. And we are, as mentioned, we've moved beyond a place where we had years ago 13% of CET1 capital and have been able to return that over the past couple of years getting much closer to the target that we've set.

So when I look at all of those things and I think about your question, there are a couple of things that I think are important. One, strategy but not just strategy, but execution, so strategy and execution I think would be one thing that I'd mentioned that I am focused on in trying to deliver against that target.

The second would be capital, but not just return of the capital, but return on the capital. And what I mean by that is as we get closer to the target, it becomes critically important to think about how we deploy these resources across the different businesses that we have. And that we're deploying them where we see the greatest prospects for growth and the greatest prospects for higher returns. And so that is a critical component to the role.

And then, the third would be expense discipline. And that one is an important area of focus because I talked about in the past levers and the importance of pulling those levers if we see softness on the revenue line. And that has to be done in a very thoughtful and responsible way. So we all know that this is a very competitive space that we're in. We need to be able to dial back expenses while preserving investments to sustain performance in the future, and while preserving the dollars required to have strong controls and safety and soundness in the franchise. So it's the balancing of that that's important in that third piece of expense discipline.

BETSY GRASECK: Okay. Before we dig in a little bit more to the targets, I did want to just ask a little bit about the environment and 2Q outlook. Maybe we could get your sense on how things are shaking out, the economic fundamentals look like they're largely holding up. But I'm interested in understanding what are you hearing from clients. Do you still hear concerns about recession fears, or are people still cautious at this stage?

MARK MASON: It's interesting because when you look at many of the indicators, they do look solid as if they're still holding up. When you look at kind of GDP, you look at unemployment, we look at credit for the target market that we focus on, all of those factors seem to be holding up.

That said, there is an incredible amount of uncertainty, I would say, largely tied to the geopolitical environment, the macro backdrop that we're in, pick it, whether it be the trade or tariff wars, whether it be China-related or Mexico-related for one week and then not. There's a fair amount of uncertainty that I would say is still out there.

When we look around the world, we've got an eye on obviously developed markets where GDP is rising and where there's a lack of flexibility, if you will, around monetary policy, we want to keep an eye on that for certain. We're focused on Europe and Brexit and what that might mean for the UK and surrounding economies. We're focused on Mexico and the regime that's there and the slowing GDP there – GDP that's there and what that may mean for surrounding countries as well. And then, we're focused on China and Asia and what that means in the way of trade and how that impacts our clients.

To answer your question around what we're hearing from clients, they're seeing the same things we're seeing. So they're seeing those indicators, which appear to be solid. But they're also recognizing that we're at an interesting point in the economic cycle. This has been a long run. And we're having constructive dialogue with our clients. But again, that macro backdrop is creating a fair amount of uncertainty. And with that comes concern around confidence and it shows up in market activity.

BETSY GRASECK: Maybe we can talk a little bit about market activity and what you're looking for in 2Q. I think earlier on you had mentioned that looking at 1Q was a little more muted than typical and, as a result, maybe 2Q seasonal decline would be a little more muted as well. Is that how you see the quarter playing out or any other updates that you want to share with us?

MARK MASON: Yeah. So we certainly saw a slowdown in the first quarter coming out of December where there was low volatility again, heightened uncertainty. We saw that slowdown come in through Q1. Frankly, that slowdown has persisted through Q2 or through what most of Q2, I would say.

And so as we sit here today and look at trading revenues across Fixed Income and Equities, we're looking at down mid-single-digit range year-over-year. And that probably gets us a little bit closer to what you would see in the way of a normal sequential performance, normal-term sequential performance. So in the way of, as I mentioned, Fixed Income and Equities is kind of down mid-single-digit range. If I look at Investment Banking, we had expected in Investment Banking that we'd see year-over-year performance down given the strength of the performance we had last year. We are, as I mentioned, expecting to see that probably in the mid-teen range in terms of Investment Banking revenues, but likely better than what we're seeing in the industry overall on the Investment Banking side.

So market-related businesses, if you will, certainly, under revenue pressure. But I would note that in the ICG, our accrual-type businesses continue to reflect good growth. And we see that good growth on the consumer side as well.

BETSY GRASECK: Okay. Let's talk a little bit about the targets, so back to the targets. I think your medium-term outlook is 13.5% for 2020. Well, 12% for 2019. 13.5% for 2020 as we asked earlier. Could you walk us through the roadmap to get there especially the 2020 number?

MARK MASON: Sure. Yeah. And we've talked about this in the past when we've constructed this at Investor Day. We looked at kind of top line growth of plus or minus GDP, a couple of percentage points on the top line, roughly flattish expenses, and I'll come back to the top line in a second, cost of credit growing but growing modestly and capital return.

As we go through 2019 and through 2020, we are seeing continued strength in our consumer franchise and branded cards in particular, progress against our consumer banking strategy. We're seeing continued strength, as I mentioned, in Mexico. We grew 5% underlying last quarter, not as high as what we've seen in the prior year, but good solid growth there. We expect to see that continue. Asia grew at about 4% if you exclude some of the pressure in our investment revenues in Asia. We expect that momentum to continue, and hopefully, the investment pressures to subside.

And then, those accrual businesses on the ICG, we see continued strength there whether it's our Treasury and Trade Solutions where we feel like we are significantly differentiated from others, or our securities services business. We're seeing good strength in our private banking business. And so the continued momentum of those businesses will help the top line. We have the benefit in 2019 of the FDIC surcharge going away, fewer headwinds as it relates to some of the legacy drag that we've seen in the past, fewer one-timers to overcome. That combination of things, we think, will aid the top line.

On the expense side, we've talked about reaching a point last year where the productivity savings outweighed or outpaced the investments that we've been making across the franchise. We saw that in the second half of last year to the tune of $200 million or so. We expect to see an incremental benefit from that of $500 million to $600 million this year and then next year as well, another incremental benefit. We saw about $100 million in the first quarter. So that is on track.

So on the cost of credit I mentioned already, we'll continue to utilize the DTA, the disallowed DTA, I should say. We've got about $11 billion of disallowed DTA. We use that at about a pace of about a $1 billion to $1.3 billion. So that combination of things will continue to contribute to our ability to hit these targets.

BETSY GRASECK: And if revenues disappoint for whatever reason, are there more levers you can pull on the expense side to hit those targets or do you just push them out?

MARK MASON: So I kind of alluded a little bit to expenses earlier. There certainly are levers that we have pulled and we'll continue to pull if revenues soften. I think I've talked about this in the past in terms of first quarter pulling some things forward that will allow for savings to come a lot sooner in the back half of the year.

Obviously, when revenues come down, there's a natural pull in the way of transactional expenses depending on where the revenues are declining, incentive comp depending on which of the products are – or how the products are being impacted. But there's more than just the expense lever to pull, I would say. And again, I want to highlight the balancing that's required in pulling that expense lever because preservation of investments in businesses like Treasury and Trade Solutions, businesses like branded cards or that consumer strategy critically important to the future.

But the other levers include obviously what we continue to do on the tax line, what more we can do in capital in terms of pulling back balance sheet when revenue is not being generated where we expected. All of those things are fair game in trying to ensure we get to the targets.

BETSY GRASECK: And then, you've got a longer term RoTCE target of 16%, and that's – I don't know if that's, like, aspirational or if that is actually on some kind of time horizon, but maybe you could give us a sense as to is that a target that is available to you in a Goldilocks scenario of nothing going wrong, great economy, and you've optimized completely your balance sheet such that you don't have any more excess capital, or is that something that even in a normal course you could achieve.

MARK MASON: So I think that – look, when we look out for the longer-term target that we set of 16%, the operating environment is obviously an important component of that. And so that's going to enable more top line growth. The other components would be that disallowed DTA is worth about 100 basis points. So that starts to – or continues to get work down. And then there's probably 150 basis points or so that would come from continued improved performance, that combination of revenues and the upside in expenses.

BETSY GRASECK: Okay. So we get a lot of questions on technology with all the companies we cover including Citigroup. And just a little bit of a speed round here. Just trying to understand how you're thinking about your technology stack, your budget, what you're using it for and what your strategy is with regard to that. You roughly spend about $8.5 billion. I think on technology annually, which is around 20% of the expense base. And that is everything all together. It's hardware, software systems, consultants?

MARK MASON: Yeah. That's everything. That's hardware, software systems, consultants, the people involved, yes.

BETSY GRASECK: And is it – if you were to estimate what percentage of that is run the bank versus change the bank.

MARK MASON: Yeah, it's about 50/50 in terms of run the bank, build the bank for us here.

BETSY GRASECK: And tech priorities?

MARK MASON: The tech priorities, in many ways, align with our strategy, as I think most would hope that it would, right? So think about the importance of deepening our relationship with our clients, building on the client experience, lowering the cost to serve. That's how we think about where we want to allocate those tech dollars, what do they enable along those two or three things. But obviously, the build-out of – or how we can better manage our data, how we can build out machine learning capabilities, all of those things to support those three components become critically important.

One of the things that is interesting when you think about that prioritization, technology is changing so fast that the capabilities that we can offer to clients we and other competitors can match very quickly. So you think about at one point in time, the idea of being able to use your phone to lock your card because you lost it was an advantage. But a competitor quickly replicates that capability and it becomes table stakes, right? And so that's a component, and I mention that because, in some ways, that drives the prioritization and the agenda, how quickly you or your competitors are moving or if it becomes a factor.

The other factor that's quite interesting is the demands from our clients don't just come from what we can offer as a bank. And what I mean by that is, those demands get impacted by what's happening in the rest of their lives from a digital and experience point of view. What they can do with Amazon or Netflix or other types of technological advances, they then have expectations for what they should be receiving in the way of services from their bank. So, it's an interesting – the prioritization is interesting in that it has to align with our agenda, but it also has to align with meeting the needs of those clients and be competitive with what we're seeing in the space from others.

BETSY GRASECK: Turning to the businesses, you know, one of the areas that's highly integrated with technology – I mean, the entire business is, obviously, but, in particular, the treasury services business and cash management, and so we get a lot of questions because you've got Fintechs out there and some actual banks looking to build in this business. You have global scale reach and arguably one of the largest shares, globally, in the global cash management space. Could you talk a little bit about how you think about trying to maintain that competitive advantage, especially against new players who might not have the legacy of the – legacy systems that they have to deal with?

MARK MASON: Yeah. So, look, I mean, our Treasury and Trade Solutions business is a critical component to our strategy. The institutional relationships that we have with large multinationals across the globe, where we are the largest global proprietary – we have the largest global proprietary payment network of any financial institution. And that is hard to replicate from a competitive point of view, particularly given the economic environment and the regulatory environment that we're in. We have significant relationships with CFOs, but probably more important in this instance, with treasurers and assistant treasurers, where these decisions get made.

I mentioned that backdrop because it is becoming increasingly competitive, but that's no surprise, given the growth, given the returns that this type of business can generate. And so we don't take that advantage that we have for granted, which is why I mentioned earlier, the importance of investing, continuing to invest in it, and we invest in further build-out of our CitiDirect platform. We invest in the client onboarding technology and capabilities to ensure that as a client goes into a new country, we can get them onboarded in two days. We ensure that we have capabilities that not just allow for us to serve those multinationals as they expand their footprint, but the new-age clients who go – who are born global, so to speak, and we're positioned to do that because in those countries, we have – we not only have experience on the ground in those countries, but we have banking licenses which, again, are hard to replicate.

And so, I would suggest that – we recognize that it's core. It is core. We recognize competition is intensifying, and the way we try to address that is continuing to invest in the build-out of those capabilities, as we see them evolving, but also as our clients see them evolving. And what I mean by that is, as we talk to clients these days, there's a lot of focus on C2B; and so how do we actually enable our clients to receive direct payment from consumers, but not just receive the direct payment from consumers as opposed to through different channels or merchants, but be able to manage their working capital, their cash, their liquidity holistically. And those are the types of capabilities that we're trying to invest in, as we try to advance our competitive advantage in the space.

BETSY GRASECK: What about on the institutional side; Markets, Equities, or Fixed Income? I know you've been investing obviously in both of those, but as electronification builds out, in particular on the Fixed Income side, but also globally on your equity platform, is there anything in particular that you'd like to kind of call out with regard to either the tech side of that investment or just in general?

MARK MASON: Yeah, let me comment quickly on both. So, on the Fixed Income side, we have the – we have a full offering in the fixed space, right? And so, about 70% of our revenues are tied to rates and currencies, and the balance – and that was last year's revenues – are tied to, obviously, credit, securitized products, munis and commodities. When I look at the Fixed Income business, what's really interesting to me are the linkages between that markets business, that Fixed Income business, and our TTS business, for example, and that linkage is through the corporate clients that we serve, and our ability to provide those corporate clients with the needs that they have around managing their liquidity and their funding, as well as their currency exposures, which shows up in our rates and currency revenues, right?

And so, what that affords us through that Fixed Income business, the linkage that exists there, is a more stable stream of revenue within the Fixed Income category, because those corporate clients tend to have more regular activity and generate growth tied and aligned with GDP. And so, even when markets are generally very volatile, we have a higher degree of stability because of the nature of our client mix skewing towards corporate. So that's on the Fixed Income side.

On the Equities side, you're right, we have been investing in our Equities franchise, we've been investing in talent, we've been investing in technology, we've been allocating balance sheet for our clients, and we've seen the benefit of that. We've moved from ranking number eight/number nine, up to a number six, and knocking on the door of number five, and so, we're pleased with the progress. There's more to be done there, obviously, but we're pleased with the progress we're making.

BETSY GRASECK: Okay. So I'll see if the audience has any questions, just to mix it up a little bit. Okay. We have one over here. Yeah, Mike, over on the right.

SPEAKER #1: Hey, obviously, yields across the world have been coming in over the course of the second quarter. You're exposed to a lot of different areas, some more than others. Can you talk about the extent that lower rates globally are impacting you now, or more importantly, going forward? And just the second thing is on the Fed. I know that your exposure to U.S. rates is a lot less than some of your other banking peers, but could you just talk about what would happen to NII or just your overall thoughts if the Fed actually does come out and cut rates 25 to 50 basis points like for whatever reason they seem desperate to do so.

MARK MASON: Yeah, so I commented on this a little bit at the end of the first quarter. When I look at our exposure to rates, we had originally talked about building in an increase through the – in the second half of 2019 and so it wasn't that long ago that we were talking about increases, and here we are now, talking about the risk of not just one reduction, but maybe even two reductions. We took that increase out of the NII forecast that I talked about at the last quarter. I referenced it at being roughly $50 million a quarter, so call it $100 million dollars in the impact of 2019. We also added to our disclosure, in the last quarter, some analysis that showed two things: one, our interest rate exposure and general U.S. dollar interest rate exposure coming down; and then two, what the impact would be, if there were a parallel shift in the curve on our revenue, so to speak.

And so, what that told us was that for a 25-basis-point reduction in rates, it would be basically about $50 million dollars a quarter. And so that – hopefully that helps give you a little bit of sense from a U.S. dollar point of view, how that would play out through the balance of this year or next year. Look, obviously, if that rate environment were to continue, obviously, it would have an impact, but at this stage, it seems manageable and that's what it would suggest.

BETSY GRASECK: Okay. Thanks. All right, moving on to the consumer side, one of the questions we get with regard to your targets here for the consumer expense ratio is, how much of it is driven by expectation for revenue growth, versus expense declines? And I thought it's more revenue growth-oriented, but maybe you can give us a sense as to whether or not that's accurate.

MARK MASON: Yeah, so, it is a combination. So we are seeing momentum in our consumer revenue in the last quarter, and we expect that to continue for all the reasons I mentioned. We're making, I think, good traction on executing against our strategy. I talked on the last earnings call about digital sales volumes coming in higher, about Branded Card delivering underlying growth of 5%, around strength in our Retail Services business, so that revenue growth is playing through. We've gone from a period in our cards, where we had promotional spending weighing on the revenue momentum, to a period now where our average interest earning balances are growing nicely and helping to contribute to that top line growth.

There are also expense benefits that we are managing through. So, the consumer business as well benefits from the idea that productivity is now outsizing the investment spend, that $500 million to $600 million of incremental benefits, certainly portions of that is tied to the consumer business. It manifests itself in everything from digital capabilities to reducing paper statements, to increasing e-payments, to reducing the amount of agent call activity that happens, because we can channel the servicing through alternative lower-cost means for addressing a client's needs. And it also includes things in the consumer business that tend to be a little more operational-oriented, whether it be straight-through processing for some of our applications that customers have to fill out and apply with, to moving things to lower-cost locations. And so, the improvement in operating efficiency in the consumer business will certainly be a byproduct of both top-line growth and continued expense discipline there.

BETSY GRASECK: Okay. You recently launched a couple of new products like Flex Loan and Flex Pay – I don't know if it's too early to speak about the uptake there, but maybe give us a sense as to how you think about the opportunity set and is this addition or does this potentially carve out some of the card book that you've got, and is there a little bit of cannibalization there or not?

MARK MASON: Yeah. Sure. So Flex Loan/Flex Pay, they reflect our digital lending capability, and I think it's important – those are important products because they help to deepen our relationship with our clients, but they also help us to prove out the digital technology capabilities that we've been investing in. And so in, January, we launched Flex Loan, which is essentially for eligible clients or customers, allowing for those customers to utilize their credit line and convert that into a fixed-rate personal loan.

And a couple of months later, we launched Flex Pay, which, again, for eligible customers, allows for them to convert a purchase on their card that they've made, into a fixed-rate loan. We've made good progress, I think. We're seeing good progress on both of those, and what I mean by good progress, not just good uptake in terms of the number of customers that we've targeted, but also quality FICO score. So we're not having the negative selection, so to speak, good average balances, good term, good APR, we're seeing good uptake in terms of our expectations there. They are largely targeted towards transactor-type clients, and so – or deepening the penetration with clients who may not otherwise look to keep that higher balance on their card. And so, while there's probably a little bit of cannibalization, I think we skew towards the transactor-type client with these products.

In terms of your broader question, I guess I'd make two more quick comments. One, we've also launched our relationship value-based proposition. So, what do I mean by that? You've heard us talk about 28 million Branded Card customers, and the idea that our strategy is to figure out how we deepen the relationship with those clients, offer them other products, particularly deposit-type products. We recently launched value propositions towards clients outside of our six markets, who see value in ThankYou Points, or Double Cash Rewards. So we're able to look at the data, which is a big asset for us, and see which of our clients value those types of rewards the most, where they live, outside of the six markets where we have a physical branch presence, and target them with a value proposition that says, we'll give you X number of points if you'll open a deposit account with us that is of this amount. And we're in the early days of having launched that, but expect to see good progress in that as well.

BETSY GRASECK: Okay. Great. Just credit quality generally?

MARK MASON: So, credit – so, two lenses: one, obviously on the consumer side, we've talked, publically about, in our Branded Cards business, a 3% to 3.25% NCL rate, we're not seeing any signs of risk or concern in the – or major concern in the Branded Cards or in the Retail Services business – and Retail Services is 5% to 5.25%. There's some seasonality, and so you'll see kind of the first-half a little bit higher than the second-half, but we feel good about the targets that we've set there.

In the Cards portfolio, as you would imagine, we look at a number of different metrics, whether it's delinquencies or minimum payments and how minimum payments are trending. For example, you'll have a customer who may have been paying $250 a month on a minimum payment of $150, and you'll see that drop down to $200. You'll see it drop down to $175, and then you'll see it drop down to $125. It was not until they hit that $125 that it actually has triggered a breach in the minimum payment, but we watch those trends to see if there are any leading indicators of concern. We're not seeing any major concern at this point.

On the corporate side, similarly, not seeing any significant areas of concern.

BETSY GRASECK: And we have a question up-front. Someone's running with the mic, one sec. Okay. Thank you.

SPEAKER #2: Thanks. Yes, just on the corporate front, a lot of new stories about the leverage loan market. I'm wondering what your perspective is with the increasing presence of non-bank lenders, CLOs and what exposure on the balance sheet to CLOs, if any, does Citi have?

MARK MASON: So, we're not big in the leverage lending space. I'm sure there – it's intentional, we rank pretty low, relative to other players, and given where we are in the cycle, we feel good about that. We don't have – we have some exposure, but not significant or outsized exposure. Everything is within the risk limits and risk parameters that we've set. So I don’t have a lot more to add on that.

BETSY GRASECK: Okay. Yeah, question over here.

MARK MASON: Yes.

SPEAKER #3: First, congratulations. Listening to you on the first call, it was great to hear the conviction that you talked about in terms of the finance organization and just the company in general. So, I think that, as you go on adding where you're adding value to what you guys have there, I think is helpful to all of us.

MARK MASON: Thank you.

SPEAKER #3: When we look at the big landscape, it's a Fintech conference, we're sitting in this VC room and they're talking about cross-border payments and point-of-sale and electronic trading, it's really hard for us, from the outside looking in, to understand how all of that is affecting you all, because there's obviously some businesses that they're coming after. So can you just talk a little bit about that, how you manage it? Like if you look, there's been a recent fixed income trading platform that's gone public and their volumes are growing very rapidly, and they’re in rates and currencies. Is that taking from you, or are you actually getting more volume because you're doing more on their platforms? So, really trying to understand that dynamic and with payments as well, as you think about it.

MARK MASON: So, I mean, obviously, we have a large Treasury and Trade Solutions. We are focused on payments for our large multinational clients, for the new entrants as well. We invest not only in our own capabilities and technologies, in both Treasury and Trade Solutions but also in Fixed Income, but we also invest in other small Fintechs that have emerging technologies that we're able to utilize, either in bolting on with our capabilities, or in advantaging the way we service our clients. And so, it's really a combination of investments that we make in our existing platform that give us or further entrench us with clients and their operating capabilities and their payment needs, and investing in other technologies and smaller Fintechs that either advance our own capabilities or position us to do so longer-term, and not be supplanted, as those types of Fintechs get more traction. So, it spans that full spectrum in terms of how we try to get after it and remain competitive.

BETSY GRASECK: All right. Well, thank you very much, and I know there's a breakout afterwards, so you can continue the conversation there. Thanks very much, Mark.

MARK MASON: Okay. Thank you.

BETSY GRASECK: Great. Thank you.

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