Jane Fraser:

Good morning, everyone. And let me reiterate Jenn’s very warm welcome to Citi’s 2022 Investor Day. Although we had to change the format of today’s event to a virtual one, here in the auditorium at our headquarters in New York, we’re excited about presenting our refreshed strategy and our path forward to you today. You’ll still get a good feel for our management team over the course of the day, and we’re already making plans to come and see many of you in the coming weeks, because it’s very important to us that we have the opportunity to connect with you in person soon.

One year and one day into my tenure as CEO, and boy, does time fly. I can say with full confidence that this is quite a time to be a leader. As the opening video highlighted, the scope and magnitude of the changes we are experiencing are happening at an unprecedented pace. When I look at these changes and the forces driving them, two thoughts come to my mind. First, Citi must seize this moment. Companies are going global at record speed. Indeed, many of our clients are born global these days. Digitization is creating the need for massive scale and greater agility. Business and geopolitics are so intertwined that they’re creating an entirely new paradigm for multinationals. And add to all of that, society expects the private sector to play an active role in solving increasingly interconnected problems. This is the landscape, and these are the challenges that allow my Citi colleagues to shine.

We are uniquely positioned for this moment. Our experiences and insights, our global network, combined with our local on the ground expertise and our empathy. These attributes are uniquely Citi, and they allow us to serve our clients in ways that other banks simply do not and cannot. My second thought is that we have an urgent need to address the issues that have kept our firm from living up to its full potential. Let’s spend some time on this.

When I became CEO, I took the advice to have big ears. Our investors, our clients, our board, our people, and our regulators all have given me a lot of important and often tough feedback. I made sure that we conducted our own on honest and very candid assessment of our performance. What did we conclude? And importantly, what does that tell us about what we need to do differently this time?

First, in terms of our business. Our mix is somewhat disadvantaged and that needs to change to drive higher returns, fees, and growth. And while we have several businesses that are true market leaders, we have others that have underperformed. We also haven’t made the most of the natural linkages that exist among our businesses. On top of that, we avoided making some hard decisions. Ones that caused some near-term pain but are the right ones for our shareholders over the longer term. I’m
talking about decisions such as exiting businesses that simply do not fit well and that make us more complex to manage and investing enough in the right places.

What we now need is a more focused mix that builds on the connectivity of our core businesses. And with it, we need a plan to grow in a sustainable way based on a new strategy. Second, in the past decade our emphasis has been on cleaning up from the financial crisis. Necessary, but not enough. More recently, we simply did not invest enough in elements of our operating model and technology and in the associated risk and controls. Nor did we address the complexities of our organizational structure. And we felt the consequences of both as a result.

What we need now is to become a simpler and better controlled bank with an operating model design for the scale and the speed of the digital age. And one with a leaner organizational structure. Being simpler will also make us more efficient. Lastly, and perhaps most significantly, good enough was good enough for far too long. What we need instead is a culture of excellence and accountability, more fully aligned with our shareholders. In particular, it means driving greater performance intensity and real discipline on execution and delivering results.

This in turn, it also means changing how I run the bank, ensuring crisp decision making and a rigorous set of performance and management processes run from the center. Now, put these conclusions together and it's frankly not a surprise that we've been outperformed by our peers and that we failed to meet the expectations of our investors. What we need to do now, in short, is transform our bank.

Today's agenda is accordingly shaped by these conclusions, but it's equally grounded in our vision for what it takes to succeed in the future. So today we'll go into details on the strategy and how we'll grow and deliver better returns. Our strategy is based on a better business mix where we can realize synergies across our five core interconnected businesses and do what's needed to grow and to win in the decade ahead. We'll share more about the plan we're executing to modernize our operations. We're industrializing. Making our operations fit for purpose in this world where scale, speed and simplicity are going to separate winners and losers.

We are prioritizing risk and controls and safety and soundness. Those are non-negotiables. And we are setting ourselves up to have a flatter management structure and a leaner organization. The work we are doing on our transformation, which remains my top priority, is a critical part of getting all this done. You'll hear about what we are doing to change our culture. To consistently deliver excellence. To become a bank that won't accept mediocrity, but instead be one that acts with urgency and greater performance intensity, and one that drives accountability. And lastly, we'll show you the financial results we intend to deliver over the medium term.

Everybody listening today knows this isn't a quick fix. This is a multi-year journey in which we will improve and deliver better results over time whilst also making the right investments for our future. Taking into account our growth path, the arc of the investments and the efficiencies that will come out of our work over time, we believe we can achieve an ROTCE in the 11% to 12% range over the next three to five years. Over the longer term, I firmly believe that executing the strategy will lead to a higher quality earnings mix. One that is consistent, predictable and repeatable. And we'll be able to further increase our returns as a result.

As you know, we've worked hard on our strategy over the last year. We've made bold dispassionate choices about the firm we'll be going forward, and we've already made real progress on multiple fronts. I'm confident the plan in front of you is one we can deliver against. We are committed to being transparent and making it easier for you to track our progress with the relevant KPIs. And we are aligning our interests fully and financially with those of you, our shareholders.
I am truly energized about what lies ahead for our firm and so is this team. They are committed to being change agents. They have tremendous depth and breadth of experience from inside and outside our firm, and they are driven. Over the course of the day, you will see the passion we have to succeed, the conviction we have in our plan and the absolute determination we have to make Citi a winning bank. Now, we have a lot of ground to cover today, so let's get started.

I want to begin with our vision for Citi. Our vision is to be the preeminent banking partner for institutions with cross-border needs, a global leader in wealth management and a valued personal bank in our home market. This statement reflects a range of decisions we made about who we want to be and choices we've made about who we won't be. It leans into our competitive strengths and it reflects our aspirations for the future.

Let me take a step back and walk you through how we got here, because it's been quite a journey. Global. Global is at the heart of our identity. The clients we serve. And it is central to our vision. Our ability to work seamlessly across borders completely differentiates us for any client that operates in multiple markets. All you have to do is talk to the CEOs of the world's biggest multinationals or the finance ministers around the world to know that this is what uniquely defines us. So that's our starting point.

Our global network means we have the ability to connect and do business in 95 countries using local banking licenses and our on the ground expertise, and that includes an in depth understanding of local regulations, politics, business, and economic conditions. It means that we can move trillions of dollars in flows daily across borders, currency, and asset classes, an order of magnitude more than any other bank. Our network is highly adaptable to the needs of our clients. It evolves as we see shifts in demand, changing geopolitical dynamics and new tech emerge. It's seamless, it's connected, it helps drive a client's efficiencies and helps them manage all dimensions of their working capital and risk holistically, wherever in the world they operate. For many it's simply indispensable.

But Global is more than just a network at Citi, it's a mindset. Clients choose to work with Citi because we see the world in a fundamentally different way than banks that do the bulk of their work domestically or just by flying in. And our people on the ground epitomize this. They think in terms of providing global connectivity and they know how to deliver best-in-class service, wherever in the world they're located. Our global network and mindset continue to grow in importance to our clients. Fortune 500 companies are our sweet spot. We have business relationships with more than 90% of them and they drive a high returning, rather nicely predictable revenue stream. Our network is also increasingly valuable to mid-size companies, including the newborn digital player, just starting on their global journey. And more and more fintechs and our investor and financial services clients are leveraging our network to support their own operations.

Let me bring the power of being the preeminent global bank alive in a couple of ways. First, with some more numbers. The work we do for Fortune 500 companies represents almost one quarter of our institutional client revenues. These are sticky and they're predictable. Eighty-five percent of the network revenue we generate from our multinational clients comes from those that operate beyond the top 60 GDP countries where only Citi can offer a one-stop global network. And as we take our clients global, we see significant growth in our revenues. Revenues are nearly double for clients that are operating in 11 to 20 countries compared to clients that operate in 10 or fewer. And when clients expand their presence to 20 or more countries, our average revenue more than doubles again. These are pretty attractive numbers and multiples.

But for me, the power of Citi's network, its depth and its breadth, it really comes alive when you look at a country. So let's look at a big one, India. In one of the world's most important global economies, we bank 30% of all multinationals operating in India and we hold almost 30% of foreign
investment assets. We support 8% of India’s trade flows and process 6% of the country's entire domestic payment flows. We’re also in the center of their new digital economy and we bank more than 40% of unicorns in the country. No other bank comes close and that is a power of our network for our clients and the countries we serve. And that is why our vision for Citi is centered on Global and with clients that have cross border needs. With Global at our core, we built from there with an emphasis on businesses that benefit from being connected to each other. That led us to the decision to focus on five interconnected businesses: Services, Markets, Banking, Global Wealth Management, and U.S. Personal Banking. Let me walk you through why these five and our ambition for each.

The first is Services. Our Services businesses are the heart of our Global network. The wallet for services is quite significant. It’s about $275 billion for TTS and $50 billion for Security Services. And these services generate incredibly sticky relationships with strong fee-based returns. We have excellent momentum in Security Services where we run the world’s largest custody network and have recently won significant new client mandates. Our Treasury and Trade Services business is the clear industry leader. Our revenue with large corporates is more than double that of our closest competitor. And this part of our business is essential to our global clients. You’ll hear from Shahrir later today about how we’re investing to further modernize our infrastructure and to continue to deliver the industry leading proposition.

Markets. Our Markets business is a top four franchise globally. We’re the number two player in Fixed Income and the investments we made in our Equities business continue to deliver improved returns and results. However, as we think about the value of our Markets business today, it’s really important not to think about it on a standalone basis. Our Markets capabilities are extremely valuable to clients we serve across the rest of the bank. In particular, there are very strong ties between Markets and our Services and Banking businesses, and the partnerships amongst them generated 1.5 billion in FX revenues last year and that’s highly repeatable business. We can, and we will, strengthen linkages like these to enhance firm-wide synergies.

We see opportunities to grow share in the more profitable parts of the nearly $200 billion wallet in Markets with a focus on where we can earn good returns. And as you’ll hear from Paco, one way to do that is to meaningfully improve our share of large episodic trades, which our Banking franchise position us well to originate and our global network and our scale position us to risk manage very effectively. And we’re going to continue to optimize capital usage for our Markets business so we address any future regulatory headwinds.

Next is Banking. Now, I’m pretty sure I’d win the argument that our Corporate Bank is by far the best in the world. And that is thanks to the caliber of our people and our network. And I hear this every time I talk to the CEOs of our clients who tell me how strategic a partner Citi is to them, how deeply we understand their business operations and their people all around the world, and how we often anticipate their needs better than they can because of the sheer depth and breadth of our capabilities in corporate banking.

Over the last year, we’ve also made very meaningful investments in our Investment Banking franchise. And that's because this is a high returning, capital light business and it's another place where we have both a strong foundation and a clear path for growth. As you saw over the last year, we are hiring more top talent and we’re shifting our Investment Banking sector focus to be more heavily weighted towards growth companies, particularly those in the industries that are converging, such as healthcare and technology. We are working to deepen our relationships with financial institutions and private equity firms who are already major clients in our markets business. And we’re expanding our work with mid-size companies around the world through our commercial bank. With the investments
we've been making and the new client segments we are targeting, we are well positioned to steadily grow wallet share in ECM, DCM, and M&A.

You've heard us lay out our ambitions in Wealth. Creating our Global Wealth Management business was the first decision I made as part of Citi’s Strategy Refresh. Now, I’d like to claim credit here for having some real strategic insight, but really, I got to this decision by addressing the blindingly obvious. We already have all the capabilities we needed, but they were spread around the firm. We already have a top five global Private Bank with a differentiated platform and a truly exceptional client base with an average net worth of $400 million. We also have one of the leading Consumer Wealth franchises and platforms in Asia where, by the way, much of the world's wealth is being created. However, despite being a top three wealth manager in Asia, we didn’t serve clients in the middle of that wealth spectrum, the clients that sit between the affluent consumer and the ultra-high net worth. And that is despite us already having relationships with many of them through our commercial bank, which you'll hear more about today from Tasnim. Similarly, we have an affluent client base in the U.S. Retail Bank that was simply underserved in wealth products. We have all the capabilities for a differentiated and comprehensive proposition, the brand, research, advice, products and execution and we offer this in each of the major wealth centers around the world. So, we brought it all together into what is today a $7.5 billion revenue business with very strong growth potential. As Jim will show you, with this integrated approach and by making some targeted investments in talent and technology, we can really grow our Wealth franchise with some attractive returns and as we'd say in the U.K., this one's a cracking opportunity.

The last of our five core businesses is U.S. Personal Banking. Given recent changes to our International Consumer business, I've had more than a few questions about whether we should remain in Personal Banking in the U.S. While the answer is a definitive, "Yes," and in fact, we'll be investing in places. Let me tell you why. This business serves 72 million customers and generates close to $16 billion in revenue. That's about 25% of Citi’s overall revenue on a go forward basis. In the payments and lending space, we’re one of the market leaders as the number two card issuer in the U.S. market and it's a business that has generated ROTCE in the high teens over the cycle. We are at the forefront of this fast digitizing and innovating industry. We offer the broadest array of payment and financing options to customers from proprietary co-brand and private label cards to installment loans, to point of sale and post transaction financing.

And as wholesale and retail payment chains increasingly converge, we are very well positioned as a partner of choice. Our 40 strategic partners across a very diverse set of industries give us access to 200 million customers, sales touchpoints and a nationwide footprint. Our Retail Bank is a top 10 deposit franchise in the U.S., with a well-established presence in six affluent urban centers. There are valuable assets in this business. For example, it's an excellent feeder for our wealth business. Last year, it contributed 50,000 new clients to it. As you'll hear from Anand, we'll be smart about targeting the right opportunities to use those assets without trying to be something we're not in Retail Banking.

These are Citi’s five core businesses: Services, Markets, Banking, Global Wealth and U.S. Personal Banking. They are interconnected. They're synergistic and these synergies mean we can grow clients from the Commercial Bank to the Corporate Bank. We can grow individuals up the wealth spectrum. We can refer clients across platforms and deepen our wallet capture. Together, they give us a breadth and scale to meet our clients’ banking needs across products and geographies and throughout the different stages of a client’s growth. We're focused on three accelerated growth engines that generate higher fee growth and are capital efficient. Services, Wealth and the Commercial Bank and in Banking, Markets and U.S. Personal Banking, we are focused on targeted share gains. Markets and Cards are the more capital intensive parts of the bank and today they represent a large portion of our overall business mix. While this proportion will shrink over time as we grow, we fully intend to remain a leader
in them and we will build on our strong track record for innovation, making the right investments to ensure we do.

Bottom line, our strategy is designed to center the bank in a mix of growing, interconnected businesses that drive to higher quality earnings, improve returns, lower the cost of equity and that position us for growth. So to summarize our plan: One, lean into Citi’s uniquely global network to be the preeminent cross-border institutional bank across our target client segments. Two, serve more middle market clients with aspirations to go global through our Commercial Bank. Three, build a strong integrated Wealth business and four, grow and optimize Banking, Markets and U.S. Personal Banking. In Markets, focus on higher returning opportunities. In Banking, invest to serve more growth companies and in U.S. Personal Banking continue to be a leading player in unsecured lending and get targeted value out of U.S. Retail. I hope I’ve given you an overview of what we intend to do to drive better business performance. Next, I want to talk to you about the how.

We’re hard at work building a modern, simpler and more efficient bank. To get that done, we’re strengthening our risk and controls. We’re industrializing our operating model and we are flattening our organizational structure. Let’s take each one in turn. Prioritizing our safety and soundness and a strong risk and control environment are, as I said before, non-negotiables. The consent orders were a major disappointing reprimand for a top firm. The issues they raise must be thoroughly addressed because our safety and soundness is paramount for our clients, our shareholders and our regulators. But the approach we’re taking isn’t one grounded in just remediation. Instead, we are using this as an opportunity to address root cause problems such as investing in a new ledger, bringing in more top talent to our risk, compliance and data teams and automating our controls. I strongly believe that getting this right will make us better in everything else we do. And later today, Karen will give you some color about the work we are doing on the consent orders within the confines of what we are allowed to disclose.

Second, industrializing our operating model is significant, and it’s a critical body of work. The scale and the speed of our business just grows exponentially with every passing month. In several parts of our business, we have led the industry in digitizing our platforms. Citi Velocity and CitiDirect are cases in point with about half a million unique institutional users last year. That’s unmatched by any other institution but there are areas where we have underinvested. For example, in our data architecture, in automating our operations and in simplifying our end-to-end processes. As you’ll hear from Stuart, the work we have underway to make these upgrades will benefit Citi, giving us an automated, controlled and lower risk environment. And it will benefit our clients too, because we’ll get higher quality products to market more quickly, and our clients will have a better and easier user experience.

And third, we’ll make our organizational structure simpler and leaner. As we execute the divestures over the next two years, we’ll not only eliminate our stranded costs, but we’ll be able to simplify our organizational structure in Asia and Latin America and at the global layer. And given my puritanical Scottish roots, it should not come as a surprise to you that becoming a flatter and a leaner organization is a priority for me as well and we’ll be able to do the forensic work to achieve this once we’re further down the execution path of the divestures and the transformation.

So, we are working to modernize and to simplify. That only takes us so far. We also have to have the right talent and the right culture. When it comes to our talent, my focus is to ensure we have a team comprised of our strongest internal experts together with external talent who bring fresh perspectives and complimentary skill sets. We’ve promoted our best leaders and change agents to critical roles and you’re going to see some of them in action today. These colleagues come to their new roles with remarkable depth and breadth of expertise from careers across different businesses, different geographies, different client segments. They’re operating alongside tremendous new leaders to the firm
who are joining us from the best tech players and from our top competitors. Why are these leaders joining Citi? Because they believe in our vision, because they're excited to be part of this team and because we are on a mission and they want to be part of it. I'm absolutely delighted by the caliber of talent we have attracted and the impact they're already having in technology, in TTS, and in Banking, Finance, Risk. And the list goes on. I firmly believe in this team's ability to deliver what is needed to get this done.

I'm proud to work at Citi, because there are incredible elements to our culture, the global mindset, the real passion for our clients, and the fact we are a very human bank. Having leading ESG practices is core to our mission of enabling growth and progress, and it's embedded in how we do business every day and the value we deliver. But I also know that there are other elements of our culture we need to change, and we've already taken action in those areas. We're adding far more rigor and discipline around how we're leading and transforming our bank. I've brought more of our business leaders around my table, so they're involved in running the whole firm and not just a slice of it.

We're managing against the metrics that matter the most, the metrics that we'll show you today. They're the same ones I'm using to track progress and to hold our teams accountable. And overall, we're instilling a new level of intensity and empowerment for everyone to deliver results. We're also hardwiring in more accountability across the firm. We've updated our performance management framework and colleagues will now be assessed on client and franchise contributions, risk and controls, and leadership. Importantly, except for control functions, all colleagues are also being evaluated on financial results with a greater focus on returns rather than revenue.

We're increasing alignment of our senior colleagues with our shareholders by delivering a greater portion of deferred compensation in Citi stock. And more of our senior leaders will start receiving performance share units, which are tied to three-year performance criteria as part of their compensation. And PSUs are now an even bigger part of my compensation.

When I became CEO, I committed to acting with urgency. In fact, I told you there'd be no dilly-dallying, and we've made good on that commitment. As you can see from this slide, a lot of work has been done this past year. Our decision to exit 14 consumer markets was a major step, and that decision has positioned us to focus on our core strengths and our competitive advantages, but it's also positioned us to simplify.

I'm very pleased with how quickly this effort is moving. We've already signed deals in seven markets and the Korea wind down is well underway. And Mexico, let me spend a few minutes on this decision. It wasn't an easy one, but I feel very strongly it was the right one. Step back to our vision for Citi, it is focused on serving global banking needs and running connected businesses. Our mass market consumer operations didn't fit that criteria, but our ICG operations did. And we did extensive work over many months to make sure we could successfully separate the two parts of our operations and structure the exit in a way that most benefited you, our shareholders.

We decisively moved forward once we knew we had a clear path that served those objectives. And now, our Strategy Refresh is complete. Rest assured, as the industry evolves, we'll continue to review our portfolio on an ongoing basis. And we'll do that with the same rigor and clinical approach you've seen us use over this last year.

But now, we've turned our focus to execution. We're on a deliberate path. We're executing against a focused strategy. We're modernizing and simplifying our operations, and we're creating a culture of urgency and accountability. I have full confidence in our path and in the ability of this team to deliver improved performance over time. But I'm well aware that getting to the point when our businesses and our firm are delivering to our full potential is going to take a lot of hard work and perseverance.
Our path in these early days isn't going to be a linear one. Our transformation is a significant undertaking and it's one that requires meaningful resources and investment. The shifts in our business mix will take time to show results. We also have DTA and legacy assets to contend with. And of course, there are macro and geopolitical factors that are outside of our control.

Our medium-term ROTCE target of 11 to 12% takes these factors into consideration. It also factors in our growth plans, the investments needed, efficiency opportunities, and capital actions. We're being very deliberate about how we're scoping, prioritizing, and pacing our work, so we can execute it well and swiftly. And I'm confident we will hit this target.

You'll hear more today from the team about the key milestones and metrics to measure our progress as we go. As we make investments in our firm, we will be responsible stewards of your capital. We're focused on investing in the right opportunities and tracking those investments to make sure they're delivering what was expected from them. And we will return excess capital to you. In the longer-term, as all the elements of our work come together and when we have delivered against the consent order, we absolutely have the ambition to grow our returns further, but our maniacal focus right now is on getting to these medium-term targets and building credibility with you along the way, systematically, step-by-step.

So, let me conclude by reiterating, we heard your feedback loud and clear. We know there is a clear-cut case for change at Citi. I hope you've seen, we're acting on it, positioning our firm's long-term future and tackling the issues that have held us back, head on. It is going to take time, but I'm fully committed to doing the hard work to get this bank to where it needs to be, and my team is too. So, thank you for your attention this morning. I very much look forward to answering your questions later today. And now, we'll hear about the institutional business from my partner, Paco.