

TRANSCRIPT

2026 Investor Day

May 7, 2026

Speaker

Andy Morton, Head of Markets



Good morning everybody. My name is Andy Morton. I'm Head of Markets here at Citi. First of all, I'd like to thank Alan, probably our most successful alum, for his very kind remarks, which I'm going to refer to a couple of times later in my talk. I'm extremely delighted to talk to you today about our business. But first, just a couple of points about myself. I joined Citi in 2008 originally to lead the rates and Fixed Income financing groups. Then six years ago I became Co-head of Markets and three years ago I took over as sole Head.

At Citi's last [2022] Investor Day, we set out a vision of Markets to simplify our business and produce higher returns. I'm happy to tell you that we delivered on both those goals. Today, I'm going to demonstrate the power of this franchise and how we can produce even higher returns over the next few years. Let me get started with just a high-level overview.

So very simply, we're in the business of market-making and financing with institutional clients around the world. And we have five product lines. The four on the left: FX, Spread, Rates, Commodities. They're collectively known as Fixed Income. And as you can see, we have solid share in all four and, in the aggregate, we're the number two player in the space. And we have been for as long as I can remember. In Equities by contrast, we have room to grow with a 5% share. And this will be a topic I'll come back to later. Fixed Income makes up about three-quarters of our revenue with Equities the other one-quarter.

And at the bottom I've set out a few other distinguishing features of our franchise. We have people on the ground in 78 countries. We are, by some margin, the largest dealer in foreign exchange in the world. And as Jane mentioned, our long-term push into Equities is paying off in the short-term. Revenues up 40% year-on-year in Q1 [2026]. Now let's look at the financials.

Revenues have been growing at a 3% pace. Unadjusted for businesses we exited since 2022. And the top row, in addition, illustrates some big shifts in our business mix. You see there in the left panel financing has been growing at about a 9% rate. And on the right-hand side, at the top, Equities at a 10% rate. More importantly, let's look at the bottom line, which is on the bottom line. You see our efficiency ratio has been improving the last few years, down to 63%. Roughly. And it's \$6.2 billion of net income.

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We're very, very material for the firm. But the most important number in the page is right here: 11.6% is our RoTCE. This is what we're focused on. We hit our old target of 10% to 13% one year early. And of course, as you know, we had a great start to this year with 19% RoTCE in Q1 [2026].

Now I want to get progressively closer to showing you how we make the money in our business. How does the revenue come about? I mentioned the five products that we're in. Here I'm illustrating the four of the five have \$5 billion each in annual revenues, approximately. Very significant scale. We're not reliant on one or even two of those to be our engines of growth. In the middle two panes I allude to the fact that these products are not islands. They're connected to each other and the rest of Citi through shared clients, our regional presence and a powerful common technology infrastructure that I'm going to come to later as well.

Now, let me say a word about Citi's global network. I mentioned the 78-country presence. Here you see our very even regional breakout by revenue. No other bank can deliver these products across this breadth. How does it make a difference? How does this play out? In a fracturing world, being able to actually meet the client for a coffee, or to deliver last-mile local currency payments in, say, Kazakhstan, is differentiating. Secondly, we find that emerging market clients, and emerging market governments, are increasingly using financial tools that developed market clients have been using for years.

If you take it down to numbers, you can see 42% of our revenue comes from non-G10 countries. And I'm expecting that number to grow. And finally continuing over to the left, of course, we service all the major financial institution segments. But the important thing you should look at in that ring diagram is our corporate share, more than 30% of our total. And why does this matter? Because corporate flows are far more stable, as I'll demonstrate shortly. And finally, I'm quoting Harry Markowitz, who I met once. He said, diversification is the only free lunch in investing.

And I thought about this, and I wanted to bring it to life with an example. I always like to think of examples and as a trader, former trader, I always think in terms of P&L. And so, this is the example I come up with. It's my favorite slide in my entire presentation,

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just so you know; I would like it to be your favorite slide in the entire day. There's some mild competition coming later.

So, let me say what it is. Okay. So, I should be clear. Last year, we made \$22.4 billion in Markets. I'm going to show you the trajectory of our actual, cumulative P&L, day-by-day, through 251 trading days. So, I'm obviously going to show you a line that ends at \$22.4 billion, and it's obviously going to start at zero. You with me? Okay, so everybody in your own head, you have to think what's it going to look like. What is that graph going to look like. Now, I want you to all be honest with yourself. Was it what you expected? And you can tell me later. I think you might have expected some bumps. And by the way, 2025 was a pretty interesting year. We had a new president. He did some things. 10-year notes rallied 60 bps in the first six weeks after his inauguration. We had 'Liberation Day.' The S&P 500 sold off 10% in the two days following. We had the first Israel-Iran war. And of course, late in the year, we had combined tech and private credit concerns. But this was our P&L.

So, what drives this? Why is that? Why does it come about this way, or why did it come about this way in 2025? And broadly speaking, I have two reasons. The first, I already showed you: five products, five regions, five client segments, plus the increase in financing that I mentioned.

Secondly, and this probably kicks in more on the really big days, kind of like the ones I'm referring to on the page. The nature of the client flows and the risk exposures that we have in Equities are pretty different to what originates in Fixed Income. And on those big days, it's quite diversifying, very helpful. Let me close by showing you 2023 and 2024 so you can see the difference. And you can see that the stability and, of course, the outright revenue number are already improving just over two years. So, I said I wanted to show you how we make the money. Where does our revenue come from? And there's no better place to show you that than FX to start.

Our FX business enjoys a great partnership with Services, just as I enjoy a great partnership with Shahmir. And I'm going to show you why that is, in the next couple of minutes. So, foreign exchange is a very complex activity. Thousands of clients, multiple segments. At the risk of heavy simplification, I'm going to boil it down to two segments. And not only that, I'm going to summarize each one with one word.

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So, financial institutions, hedge funds, asset managers, banks. The word is “price.” In the end of the day, they want a good price. They want it fast, and they want it 24/7. The world's largest foreign exchange dealer can do that. And not only that, our franchise very often provides offsetting flows. But as the pie chart indicates, 70% of our revenue comes from the corporate segment, which is really the core of our business. My word there, my one word, is “embedded.” And I'm going to explain with a real-world example from a real client.

So, this client is headquartered in Switzerland, and they've got subsidiaries all over the world. And I'm going to pick Pakistan, you can see it there, in the blue. Head office, up in Switzerland, they use our Global Treasury Center app. This gives them global FX execution and monitoring capability. Now, let's say the subsidiary down in Pakistan needs to pay dollars to a supplier in Europe. Head office executes the trade. So, they execute the risk trade, dollar-rupee risk trade, on behalf of the subsidiary. Citi feeds the trade into the client's treasury system. What's important to head office is, they have accurate global risk exposures around the world.

Meanwhile, down in Pakistan, the local team simply makes a rupee payment from their Citi account via Services, connectivity. Then a simple FX conversion is generated, and the dollar amounts delivered, to the supplier's account via, again, our Services network. And then Citi populates the local system of the client. What the local office cares about is reconciling their supplier payments with the FX trade that head office has done. And again, our integrated services and FX platform makes this happen.

Very, very simple to describe. Took me one minute. Not so easy to build. We've done that with this client in 62 currencies and 57 of their subs. I've laid out a few other statistics down there at the bottom. So, I hope this example shows you two things. Number one, why our FX revenues are stable, and why our model is not so easily replicated.

So now I'm going to hop, metaphorically only, to the other side of kind of the Fixed Income spectrum. And that's to talk about our Spread business. And what do I mean by this spectrum? Why did I introduce that word? Three things really to distinguish FX and Spread. And they're pretty much at the opposite ends, as you'll see. FX was obviously an international activity.

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Our Spread business is concentrated here in the U.S. FX, does almost no financing, as you're going to see, Spread is largely financing now. And our model is highly mature, while our Spread business has seen big changes. So, just by way of background, sort of what is the Spread business? What do I mean by that? Years ago, we combined mortgage, corporate bond and municipal trading and all associated financing into a single group at the firm. And then when Citi created the five businesses reporting to the CEO, we brought that group fully into markets. And as you can see, coming out of the COVID crisis, we got P&L back to 2021. The trading side of this business in particular had had a very good run. Volatility and activity levels were high, but both dropped, and capital requirements, SA-CCR, specifically, rose. So, it became quite difficult to profitably trade, both munis and secondary credit, in particular. By 2023, RoTCE was down to 8%. And so, we made some difficult decisions. We exited munis, and we exited distressed credit. But on the back of our deep asset class and securitization structuring expertise, and seeing growing client demand, we began to expand our lending book. As you can see, these choices together delivered 600 basis points of improvement in Spread's RoTCE. And I believe these returns can go even higher.

So let me quickly describe a few features of the securitization-based lending that we do. And it's over there on the right-hand side, summarized. It's mostly senior lending. So, by that I mean, there's a thick tranche of protection below us in the capital structure. That makes it capital efficient. 40% RWA, on average, per unit loan extended. Origination spreads are typically double that of similarly-rated corporate bonds. SOFR plus 200 bps versus SOFR plus 100 bps, roughly speaking. And as you can see from the pie chart, the underlying collateral is highly diversified and Spread Products has expertise in all these asset classes, reflected in our overall top three rating. Finally, our clients are almost entirely large institutions. When you put all that together, you see the expected returns, including the securitization fees on the right-hand side.

So net-net, we're very comfortable with this risk. We have an expert team. And that's why we intend to keep growing this activity.

Now, time won't allow me to go through all of our Fixed Income businesses in the same depth. But I do want you to know about our Rates and Commodities businesses. They're both exceptional franchises that you should know about. Rates, of course, very

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close to my own heart, is not only top three in the market, but is so in all the major subcomponents as well. Internationally, Rates is probably the best example of what I was alluding to before about applying developed market innovation to the emerging markets. This is partly related to a strategic choice we made years ago, to put the local markets and G10 rates units together.

Secondly, the business houses most of our Fixed Income structuring team. That, in turn, has led to some landmark emerging markets transactions, some of which you can read about in Risk Magazine. And number two ranking in non-G10. So number two in non-G10 and number three in G10. Finally, Rates, as well as a very strong financing component, in this case called “repo.” And you see there the number of risk awards that the business has won due to the client satisfaction it's generated, and Alan alluded to it in his opening remarks.

Finally, Commodities. Now, as I mentioned at the very beginning, we take a different approach in Commodities. It's a nimbler business, smaller. We don't try to offer every product in every region. However, as we saw a few years ago post the Ukraine invasion, when energy prices in Europe soared, or even in this past quarter [1Q 2026], with heavy oil volatility, clients value our ability to provide liquidity in the segments we choose. I've listed there just the main areas we're focused on: North America power and gas, precious metals – we're opening a vault shortly – and again, using our security expertise and asset class expertise for financing across all of Commodities.

So, before turning to the equity side of the equation of our business, I want to show you the wallet of Markets. It's very interesting and very important to understand the strategic direction that we're taking.

So, this is the bank wallet only. So, this is the wallet, from Coalition, that's available to banks. Two points should stand out, partly because they're in the title. Number one, the wallet has grown materially in the last six years, by \$100 billion, from \$152 billion to \$252 billion, roughly. So, why did this happen? And here, since this was more of an external thing, I wanted to sort of give you some reasons, but obviously, compared to some of the other things that we're talking about, it's less under Citi's control. But I wanted to put forward what I think are some of the factors that have led to this development in the wallet.

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It's kind of hard to remember now, but in the period between 2011 and 2021, inflation was incredibly low. U.S. core PCE was below 2%, 90% of the time. Not only that, even though the mix was kind of small, authorities were concerned enough to keep real rates at zero just to try to get inflation up. Then COVID happened, fiscal spending, burst of inflation, which really hasn't still gone away. Secondly, you may remember the term secular stagnation, associated with excess savings, or excess demand for savings. Of course, right now we have the exact opposite. We have excess demand for investment in AI and technology. And this has pushed real rates up. We also have high government issuance around the world. And as I alluded to, emerging market countries are tapping capital markets products historically used only by developed market clients. So, my own view is that many of these factors will sustain. But as I mentioned, I wanted to put it out there so you can make your own assessment. And then the second piece that I highlight, equally important, is the shift of the mix of the wallet between Fixed Income and Equities.

For that first decade, really up to and including 2020, the Fixed Income equity split was about 70%-30%. Post COVID, it's moved to 60%-40%. At the bottom, I've listed just a few, what I would call micro, or more equity-driven, factors that have contributed to this. I won't go through them, but again, I would argue and I think myself that they're likely to be here to stay.

These wallet dynamics have had a pretty big effect on bank performance. So, I want to show you that next. The first bit pains me slightly to show it, I must admit, but the growth of the equity wallet was very helpful to our large U.S. peer competitors who had a full platform built out in 2022. They've seen 40% revenue growth since then. This is totaled, by the way, not CAGR. At Citi, we're extremely proud of how we've grown revenues by 31% whilst improving our platform. And at the bottom you can see that we've now surpassed our average European competitor, as measured by 2025 revenues. But it's returns that are important. So, let's add returns to the picture.

So, I'll give you a second to take this one in. It's relatively straightforward. I'm showing revenues on the horizontal axis, RoTCE on the vertical axis, and of course, the position of Citi's Equity and Fixed Income businesses in the middle. I would say, if you want to have one-slide takeaway for the strategy that we're undertaking in Markets, it would be this slide. It explains to you why it is we're doing what we're doing in Citi Markets. You

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can see there, our Fixed Income business, very healthy, just under \$17 billion of revenues last year, and mid-teens returns. Equities, as I mentioned earlier, higher fixed costs, returns are lower at our current size, and you can estimate the weighted average RoTCE is 11.6%, exactly as I highlighted in the first slide.

But now, just as on my previous slide, I want to add the competitor picture. Again, a little painful, but it is what it is. The other four large U.S. banks had revenues about \$13 to \$14 billion in high-teens returns, according to our estimate. So, it shouldn't surprise you to see what our strategy is in Equities: continue to scale and grow to take a bigger piece of this pie. So next, I'm going to show you why I'm extremely confident that we will do that. But first, let me give you a little bit of evidence. That's our progress since 2022.

So now let's talk a little bit about Citi Equities and how we will close that gap.

As it happens, the biggest driver of our Equities revenue expansion over the past few years, 2022 to 2025, has actually been equity derivatives. We've got exceptional capabilities in corporate solutions and structured notes, complex derivatives, and we're also top three in futures and derivative clearing. But even as Jane mentioned earlier, the critical ingredient for long-term growth in Equities is the quantity of prime balances. And why is that? Again, it's that financing word. Prime balances provide stable financing revenue. But moreover, they provide kind of a halo effect that creates stickier client relationships and more cash execution. You see we've doubled, more than doubled, in fact, prime balances, from \$200 billion in 2022 to \$450 billion in 2025. You may say, "Andy, the stock market's gone up," but more than half of this – 55% of this – increase actually comes from client acquisition.

So, that's our track record: derivative capability, platform stability. Why will this growth continue? I'm going to give you three reasons.

Number one, and this is really the most important. This is the critical reason. And Alan referred to it himself. The clients we're building with are already Citi's clients. In fact, they're usually clients of our dominant Fixed Income franchise. They know us. They like us. They want to put balances with us. Some of them tell us they want another large partner, because nearly 50% of the market is concentrated in three players. And many people don't want to be on the other side of that. My second reason is the strategic

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investments we're making in the platform. Again, as alluded to by Jane earlier, and I'm going to mention them briefly in a second. And finally, One Citi. Our growth is going to be heavily boosted by the improvements in Banking and Wealth, which Vis and Andy will be telling you about in a couple of minutes.

And I want to close in Equities—just, if you focus at the bottom of my slide—by emphasizing something that I just briefly alluded to.

For a variety of reasons—the number of stock exchange connections you have to make, the requirement for high-speed and high-volume technology—Equities is much more of a fixed cost business than Fixed Income. Or, put another way, it's a scale business: Returns accelerate once you cover the fixed costs. And we've illustrated that here, as we show our plans into the near term: the expenses don't grow nearly as quickly as the revenues.

So, I spoke about investments. This is a good time to switch and give you a picture of the investment picture across all of Markets. What's important to take away is that the level of investments we're making in our franchise is materially increased. I just finished speaking about the importance of the prime platform to Equities. So, you won't be surprised to see that listed at the top.

In a nutshell, what are we doing. We're just growing the outright capacity of the platform—the volume, the number of trades, the speed of trades and so on that we can take on board—and secondly, the product set for the next set of clients that are coming to the platform. We're bringing clients on board sort of in order, if you will. On the Fixed Income side, again, as you'd expect, the set of investments is more diverse. In Commodities, we're opening a precious metal vault in London, just this month. In Rates, the huge investment is in our low latency and algo capabilities.

As I alluded to before, large U.S. Treasury and swap dealers like Citi, we get most of the big risk transfer flows from clients in the marketplace. But given that we have that foundation, why should we leave money on the table for the smaller, faster markets? And so that's part of our investment plan going forward. I already mentioned our plans in Spread lending. And of course, just like Shahmir is, we're continuing to improve our cross-border payment and custody infrastructure. In fact, we're doing it jointly with them.

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That's our future investments. Let me show you some of the results of the past investments that we've made, largely in consort with our colleagues in Markets tech. This is a pretty long-term timeline. Many of you are users of Velocity. Velocity got started just a few years after I joined the firm. In fact, we started behind two other major dealers that had leading platforms then. Now, we have the leading platform, and that's Velocity. Olympus: it's one of only two strategic data repositories at the firm. It began its life as the single source of truth of data inside of Markets.

Much, much more could be said about Stylus. That's our democratized genAI platform, which delivers modern, safe AI access to all of our employees. But by far, so far the biggest single impact of technology to us in Markets has been the XiNG platform. So, let me just walk you through that, briefly.

It's an ultra-modern, scalable, decentralized risk management platform. Started small. It started as an analytics library just developed by our quant group. Now, as you can see in the middle, it includes transactions, environments and even results. Something as simple as transactions is different depending on the use cases. There's nothing so simple as just "give me a list of all the trades you have." Each use case, and I missed some of the use cases there on the right, has its own requirement for transaction lists, for example. The other big feature of the XiNG platform is that each asset class, be it credit, FX, rates, maintains its own calculation library. They need to do that. They're the experts. But the tradeoff is, those asset class libraries must meet rigorous common standards. And as a consequence, complex calculations can be done in a robust and very scalable way.

Of course, since it's a Markets platform, 100% effectively, 100% of Markets transactions are XiNG compatible. But what we're most pleased about is the left-hand side. The user base. It's growing rapidly. Because of the API, because of its self-service nature, colleagues in Risk and Finance, or anywhere in the firm, can access XiNG capabilities. So, this obviously is going to have huge, and is having, huge long-term benefits. Eliminating duplication of both data and software, of course, speeding up development and compute costs. So, I like examples. Kind of an examples guy. Here's the best example of how cool this technology is. We can write a 20-line Python program that runs a scenario stress test on our entire Markets trading portfolio. 20 lines of Python. That's it. I would argue again, that in this case, we've leapfrogged some

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of our competitors who tend to have more big-box, all-or-none type systems that were built years ago. So, net-net, it's clear to me, as the Head of Markets, that technology is a huge competitive edge for us. I'm going to show you one last competitive edge, and that's our capital productivity.

So, I've explained to you how we make the money, how we make our top-line revenue, I hope, and through the investments that we're making and the opportunities that we have, the prospects for top-line growth across the entire franchise, but it's returns that matter. And we have a fantastic track record with the denominator as well, capital. Those of you who remember the last [2022] Investor Day, were here for it. You may recall, when it came to the business discussion about Markets, we weren't at that point disclosing externally for Markets, or indeed, any of the other businesses. So, what we did was we used revenue over RWA as a proxy. We were running that at 4.3%, and we set ourselves a 5.5% intermediate-term target. We got there early, in fact, hit 6.1%.

Notice how we did it? We went down in RWA between 2021 and 2024. I can't talk about any individual competitor in this regard, but certainly the entire industry went up. RoTCE has since replaced revenue over RWA. But the techniques we use are the same. So, let me just quickly highlight what those are. And I'll go back to what we did, beginning with the origination of this program, and this team, when SA-CCR came out.

We set up a capital team, reporting to someone in my group. And the first thing they came back with was, if you want to improve something, you need to measure it frequently and with high granularity. So, we built a capability in the business to produce daily RWA and GSIB numbers for management choices. Then we decided, as a next step, to think through how we allocate those precious resources. And what we did as a Markets group is maybe not surprising. We created an internal market for capital, including auctions and bilateral trades between different desks. This gets the right incentives out across the entire enterprise, and the involvement of the whole enterprise with the whole franchise leads to better client transactions. And there's room in this space for transactions, which are very economically-beneficial to clients, but also capital-efficient for us.

So let me close with a summary. I hope I've shown you the incredible strength of Citi's Markets franchise, and maybe some things you didn't expect. I've also been very clear

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on where there's room for us to take share, especially with the significant investments we're making. I've shown you reasons why the wallet could remain elevated. Putting it all together makes me very confident that our revenues will grow at that mid-single digit rate. I'm certain that, in Markets, we have a mindset, which is returns-driven across the whole enterprise. So, let's look at the specific numbers. We finished 2025 at 11.6%. That's 11% after the firm's change in methodology earlier this year. It's very reasonable to expect another 200 basis points, bringing us to a very lucky 13-plus percent. So, on behalf of all my colleagues in Markets, I can assure you we will do our best to deliver that.

I'd like to thank you very much for your kind attention today.

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