

TRANSCRIPT

2026 Investor Day

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JENN LANDIS: So we're going to start Q&A for about 30 minutes. And first question.

MIKE MAYO: Mike Mayo with Wells Fargo Securities. Thanks for having me today. This question is for Jane and each of the line of business CEOs. I think if I were to characterize Citi's culture for, I'd say the 50 years before you became CEO, Jane, I would describe it as reckless, arrogant and complacent. And I think a lot of people in this room would back me up on that.

You've all mentioned a change in culture, but I'd like to know what that really means and how long that actually needs to take place. I get the sense that you're changing at the top, but what message are you giving the 200,000 plus employees? How long does it take to change your culture and what are each one of you doing to have that culture affect the change that you desire? Thank you.

JANE FRASER: Oh, thank you, Mike. And, you're looking very sharp today. I think we appreciate the Citi-blue tie there. It's exciting to see the culture change. And I think it starts, as you say, around my table. The businesses sit around the table. We work together to make sure that we're removing the barriers so that we can deliver one Citi to our clients.

We run the firm of enforced, enterprise-wide standards, frameworks, approaches. That was not the case before, you saw AI as an example we talked about, but many more. We have institutionalized disciplines that you've heard. You know, Vis talking about it, the corner store mindset but equally, the disciplines around productivity. We measure the organizational health so there's no slippage from the org structure changes we put through. We review as a team the operating dashboards every single month, in

excruciating detail, a bit like the 19 pages and all of the data that Gonzalo shared with you earlier. And we drive this through consistency of messaging through the entire organization. We take ownership. We deliver with pride. And the leadership principles that we've laid out, it's fundamental to it, but they're embedded into recruiting, into financials, into the reviews that we do in the firm. And we are relentless about it. Guys, jump in.

VIS RAGHAVAN: If I can go next, I think for me, Mike, it's really around having that serial winning mindset. It is just kind of that obsession with kind of delivering for clients. Client centricity. Put the client at the center of everything and just kind of wrapping them in the best of Citi. I think that the minute you get into that psyche, you know, the wallet share and everything else we talked about, those metrics will follow. It's really about client excellence. And I think that obsession is critical to how we win.

ANDY SIEG: And I'll jump in. Mike, I mean, I think it's, it's of course, ambition and accountability, but it's also making sure there is no time for managing up. I mean, this is a culture which is focused on leading our people and focusing on our clients and putting our energy there.

SHAHMIR KHALIQ: If I'll just add, I think we have a huge responsibility, which is running the biggest global network in the financial services industry. And I think that responsibility rests on the shoulders of this management team and all the, you know, more than 200,000 people who work every day for the benefit of our clients and run their businesses, you know, do everything that they can to make our clients happy.

So I think that responsibility is very near and dear to our hearts and therefore the execution agenda. Thinking about risks. Thinking about control, but also thinking about doing the best for our clients is probably the most important thing that we rise with every day.

ANDY MORTON: I'll go next. I'd say, Mike, my twist on it – a little tough after all these guys all covered – but my take on it would be success breeds confidence and itself breeds further success. So I think the success that the firm has had in the last few years in addressing its issues head on, fixing them, and at the same time building something that can win, every single employee feels that you walk on the trading floor, every single employee feels it. And the management team, Jane in particular, you know, always

gives credit to the employees themselves, you know, for driving it. And we walk around the firm and you can sense that. And that in itself is the change in the culture.

PAM HABNER: So I guess I better wrap it up, by saying, everything that's been said before is consistent for the Cards business. We are customer obsessed. We are maniacally focused on winning in the market. And the pace and the energy feels really different. We know the world is moving very quickly. We asked our team what mantra we wanted for this year, and we said, "Go Mode". We're in go mode. We're moving quick. And it's an exciting, very energetic culture that we have right now.

VIS RAGHAVAN: And, Mike, I love how you got seven questions in there.

JENN LANDIS: We're going to go to the next question. Sorry.

SAUL MARTINEZ: Hi, Saul Martinez from HSBC. I'll try to ask only one question, but, clearly impressive accomplishments since the last Investor Day. You've outlined a number of areas where there's a lot of whitespace for growth and profitability expansion. But the couple areas where in terms of the financial guidance stood out to me as being a little bit cautious, were the low- to mid-single-digit growth outlook in the near term in Banking and in Services.

In Services, you know, that is a pretty sharp deceleration. And lower than what I would expect nominal GDP growth to be. I'm just curious, what if you can outline what the building blocks there are? I'd imagine rates have something to do with that. And Vis, you know, super positive presentation. I was hyped up listening to it and there's a lot of opportunity for share gains. But curious how you got to the mid-single-digit revenue guidance if you can also outline the building blocks there.

SHAHMIR KHALIQ: Maybe I can go first. So I was thinking about you when I put that slide together for the last ten-year performance. So, clearly you and I were, in empathy mode at that time. But just if I go back to that slide, one of the things we tried to show was the predictability of the fee revenue base.

We've shown you how we've grown that base. Secondly, we've shown you how we grow the deposit base. Thirdly, I think we gave you a little bit of a glimpse in how we're seeing settlement volumes, issuer volumes go through our pipes, payment volumes go

through our pipes. So we've been disclosing all of these metrics. And therefore, you see that those numbers come through.

Just on the total revenue the simple fact that the stage of the interest rate cycle that we're at in the near term, as we're expecting rates to come down, you saw it on the ten-year slide as well. So what we've done is given you a full-view NII and NIR. We've given you a view on the drivers of the KPI and then where the interest rate cycle is.

So we've given you a through-the-cycle view and a near-term view as well. So hopefully that answers your question. But one of the things I would say to you is, we are absolutely focused on grasping up opportunities. The one thing I started my presentation with was when I said, we're going to retain our number one market share, and we're going to grow it.

So if you think about wallet share, the fact that we will be a more preeminent player when it comes to wallet share. So hopefully if a rate impact happens, it happens and impacts the entire wallet for the industry. But our aspiration is to continue to grow wallet share. Vis.

VIS RAGHAVAN: From the Banking side, I mean, if I start with you know, clearly our key kind of investment areas. NAM inbound is a massive focus for us across the Corporate Banking piece, the Commercial Banking piece and the Investment Banking piece. And when you look at the areas where we underpenetrated, North America is one. So that's a huge focus area. Leverage finance we've talked about. We're going to do this responsibly and, you know, with a lot of care. But when you look at where we could really turn up the dial and we talk about it all the time.

For instance, in ECM, you know, clearly we are in the top five. In secondaries, in secondary trades, etc. we can ramp it up in convertibles, we can ramp it up. But in something like IPOs, we are struggling a bit with the lack of incumbency because we didn't feature with the sponsors, when you know, folks put them into those assets. When those exits come, we lacked the incumbency because we were not there when the sponsors acquired. But we are building up to that end in a kind of way the broader macro plays into that, because not every IPO is entirely doable today, and they are taking different forms of, you know, M&A and sell sides and the like. So I think we are creating that incumbency. So which is why this will not be linear. Well, you know M&A has been incredible I think that mindset is already in there. We are doing the bridges.

You know you saw the proof points. I think ECM we will ramp it up. Leveraged finance we are ramping it up. Sponsors we are gaining share. So I don't think it will be linear.

But the key here is steady progress where bit by bit. And one last point there is, is talent. And this is really a talent game. It's not a numbers game. It is really quality of talent. You know the classic 80-20 rule with the best bankers. And this is something that we really started at, we got going last year. A lot of the folks have just come on board this quarter. And this is something that we'll keep investing in and focus on.

GONZALO LUCHETTI: And maybe, sorry, maybe to jump in on both, just for a second, on how we thought about, you know, our client driven growth. First we, there's a couple of lenses in our approach that I think maybe it's worth noting. One is we look at have we done this before. Have we been doing this? Do we see it in the momentum. And two, do we have the actions. Do we have the investments in order to anchor that? And you will see that most of our revenue commitments at the firm level is mid-single digits.

On the revenue front, they are really, you know, anchored primarily on volume and continuation of client driven growth. It's really a "Q" story. You're seeing in Q1 [2026]. And we hope to be able to show you that in the near term as well. The second thing I would mention is we've also we've assumed a normal environment as our base case. You saw on one of the slides, but we've also pressure tested our commitments. And these are commitments, not aspirations just to be clear, we pressure tested them for a range of environments as well. So that goes into the consideration set too.

JENN LANDIS: Great. Thank you. I think we had a question over there.

EBRAHIM POONAWALA: Ebrahim Poonawala, Bank of America. I guess maybe Andy, for you on the wealth management side, it's long been discussed whether the Citi lacks distribution in the United States from a wealth management product. Just talk to us, like you obviously highlighted the AI agent. When you think about wealth distribution in the U.S., do you need hundreds of more financial advisors that you need to recruit, or is the business transforming where how you acquire client and how you deepen that is truly changing where the playbook has changed, as opposed to just paying up and bringing on advisors.

ANDY SIEG: Ebrahim, thank you. Great question. Here's how we think about it. I think the most important things in terms of growing the Wealth business in the U.S. are, you

know, do you have real feeder engines for the business that you can lean into? We talked about two during the presentation. One, the powerful plugging in of the Private Bank in particular into our institutional businesses. I mean, that is a massive feeder engine for our business.

Second, you know, the realignment of the retail bank, which, you know, we talked about a massive driver of growth in the affluent and high-net-worth arena. We didn't talk about the workplace, but we have a Wealth at Work business as well. It has deep 50-year roots, serving law firms. There's a lot more we can do with that business. So those are really paramount in terms of importance of growing here in the U.S. And I would look at AI and Citi Sky as an eye opener in terms of what's going to be possible in terms of productivity. You know, you're going to see us invest behind that technology. You're also going to see us, you know, add advisors and bankers. That's happening at the same time.

What I think you should take away is though to achieve our ambitions, we don't need to spend 10 or 20 years recruiting to get to scale. Technology is giving us the opportunity to unlock scale in ways that we couldn't have imagined just a few years ago.

JENN LANDIS: Right here. Thank you.

BRENT ERENSEL: Hi. Brent Erensel, Erensel LLC, and, I was very impressed with the, dynamics of all you professionals, but, Shahmir, with regard to the global payments, that being the bank of the future, how is stablecoin going to affect or possibly disrupt your business, or how are you going to work with that? So could you address that for us?

SHAHMIR KHALIQ: Sure, absolutely. I'll try and summarize. I so first and foremost, you know, as you've probably seen with recent research, you know, while there's a lot of hype around stablecoins, if you look through the volumes, you will see that there's a relatively small amount of volume that are truly used for what I would call institutional payments. So I think it's we're still in the very early stages of it. So that's the first data point.

The second one is that as we talk to a number of our clients, and I made a point of that, we are constantly consulting with the biggest multinational banks, fintechs around the globe. Everybody is assessing what they want to do as they think about the future.

There is buckets of take-up and there is pockets of interest. As I mentioned, I think they're stepping away from stablecoins. There's a lot of focus on saying, what can blockchain technology do for me? How do I move my money more efficiently? How do I make payments more efficiently? How do I think of managing my working capital better? So that's something we've already put in play as I showed to you, today. So as stablecoins evolve, as our clients come in and say, I need a stablecoin or I need to use a stablecoin for something, as I mentioned, we are open for business. We've got a blockchain up and running. We will look to evolve our product strategy to involve a stablecoin as well.

But in the meantime, if you're a West Coast company who wants to pay an app developer sitting in Asia, and they want to get paid in a stablecoin, we're absolutely engineering for that. As I mentioned, we signed an agreement with Coinbase. We're in the process of engineering that solution using our WorldLink platform. And we will be up and ready and be able to service our clients as they engineer their agendas going forward.

So I would say we're right in the thick of it. We're in the very, very early stages of the first innings as our clients look to evolve their platforms. And I think this is going to be just one of the many things our clients will look to do. And therefore, the way we are thinking about it is with an interoperability lens, this will be one of the building blocks in addition to the many that we offer our clients.

JENN LANDIS: Next question. Erika.

ERIKA NAJARIAN: Hi Erika Najarian, UBS. Thank you for today. My question is for Gonzalo. I think your investors very much appreciate that you laid out your RoTCE targets through the numerator. Right? I think the very powerful message from today was you talked about growth and revenues and not, you know, taking out expenses to get to that answer by, by, you know, just taking out the transformation expenses, but reinvesting it. That being said, the denominator opportunities are very real in terms of capital reform.

And so if I take that 14 to 15% and there's essentially two parts, one, your SCB is 100 basis points higher than JPMorgan, BofA, and Wells Fargo. Right. And second, your 13.1[%CET1 Capital ratio] essentially assumes that you're going to cross that 50 basis

point surcharge on January 1, 2028. As you understand the reforms and if you could normalize your SCB to 2.5% to 3%, and I know you've done the math already.

(LAUGHTER)

GONZALO LUCHETTI: Have I?

ERIKA NAJARIAN: I'm pretty sure you were picked for that reason. What? Where could that...

JANE FRASER: couple of others as well? Yeah.

GONZALO LUCHETTI: Paranoia was a key attribute. Yeah, absolutely.

ERIKA NAJARIAN: Where can that 14% to 15% go?

GONZALO LUCHETTI: Well thank you. And thank you for trying to box me in to different numbers than we already shared, Erika.

(LAUGHTER)

Good to see you. Let me step back, maybe for a minute. And let me take it in pieces. Right. Let me start on the journey that we've been on with capital, you saw it for a couple of years, right? In the period between 2020 and 2023, our SCB actually increased all the way to 4.3%.

Now, on the back of our strategy working and our PPNR increasing by about \$6 billion that increases our absorption capacity. You started to see the SCB come down for us from the 4.3% peak down to 3.6%. Now, we haven't assumed that that, you know, comes down. This is before I talk about NPRs in a second. But I would think, right.

And again, I think you want us to be thoughtful and not making things that happen, you know, where we don't have clarity and finality yet, but you can think that over time, as we continue to successfully implement our strategy, our PPNR will continue to go

north and that will continue to increase our absorption capacity. And hopefully over time, there's a narrowing range between our internal assumptions and also how the Fed models work.

That's box number one. Box number two on the NPR, I'll go back to a couple of pieces. In the first quarter [2026] earnings call, I spoke about how, on purely on the NPRs of GSIB and Basel III net-net is a moderate net benefit. Again, we have not baked that into our assumptions and then the last piece is obviously SCB and the changes that are going to be made to the modeling. You called it out, you know well, we are 110 basis points away from the floor, right from the 2.5% SCB. So our assumption is that there will be some benefits there. And now I know you can do the math right. For about ten basis points of CET1, that equates to a little bit over ten basis points of RoTCE. So if you want to do, I think about on top of that, 14% or 15%, that gives you a sense of depending on what you believe, you know how far you can go. Thank you.

JENN LANDIS: Over there. Yep.

KEN USDIN: Thanks. Hi. Ken Usdin from Autonomous Research. Another one for Gonzalo. We talked about a lot about risk management and Pam touched on, some of the changing dynamics inside the Cards business. I believe a few years ago, we talked about the cost of credit that was also embedded in, you know, the RoTCE outlook being around 1%.

Just want to understand like how your thinking, what built into the 14 to 15 in terms of cost of credit and how the overall just credit risk environment and structure has changed, with, you know, inside Citi over the last few years. Thanks.

GONZALO LUCHETTI: Sure, happy to start and obviously, Pam feel free to jump in and override anything I say as you're running the business. But thank you for the question.

No, I think, you know, a couple of thoughts. First, and I mentioned this briefly, so did Pam, we have, you know, invested quite a bit in continuously, you know, strengthening our risk framework, right. And so we feel very comfortable I feel very comfortable with it because we've been working hard on, you know, AI and machine learning models, on digitizing collections, on being recession ready. And multiple spots you have seen as behaving this way.

Actually, if you go back to the for those are very familiar with the vintages and the normalization cycle into the peaking into 2024. We started with preventive actions. That is how dynamic we are in the fourth quarter of 2022. Taking credit you know driven tightening in action. So we feel confident about how dynamic we are, how thoughtful we are about, you know, some of those pieces.

The second thing I would say is we are very well reserved right, and Pam spoke about that at 8% or thereabouts, that's \$16 billion of our \$21 billion of reserves, right. That really account for a multi scenario. We reserve on a multi-scenario basis. I think I was sharing one of my slides, 5.2% is the blended eight quarter unemployment assumption, which is obviously higher than the current. And the peak unemployment scenario has is close to 7%, 6.9%. So that gives you a sense also that we are, right, we are reserved and we managed to that those set of potential scenarios.

Now you also ask about the medium term and what we're thinking about. So in terms of that, as we invest for growth in this business, the credit costs that we've assumed, right move in sync with that growth and expectation, we've given guidance, in our KPIs for the Cards business of mid-single-digits growth for our loans.

And so you can imagine there our credit costs will move in sync. And then the last piece I'll mention is in addition to stress testing, constantly, right. Our portfolios and our franchise, and I mentioned this a little bit earlier, as we looked at our commitments, both the near term and the medium term. Again, we assume the normal environment as the base case, but we've also tested for a range of environments as well, so that we can deliver the commitments, you know, within a range of deterioration. And anything I don't know, Pam, you want to...

PAM HABNER: I think you've covered it.

JENN LANDIS: Question over here.

UNKNOWN: Thank you. So in terms of the very impressive improvements in profitability we've seen since 2022, part of it's being driven by the business units. But we've also seen a fall in deferred tax asset. And can I just get a bit more color about what you're expecting there? Gonzalo, it looked from the slide like the \$14 billion from last year, almost goes away by about 2030. But can you give us a little bit more color around that. Thank you.

GONZALO LUCHETTI: Yeah. Two observations. Thank you for the question first of all. The first observation is everybody gets to talk about fancy products and I get to discuss DTA.

(LAUGHTER)

That's one reflection. I know that was a role choice, but it's still but a couple of things I would say on DTA, thank you. I'm sure you're going to pull up a ruler, right, with a slide printed, and you're going to try to measure the near-term and so on. That's what I would do, at least for sure.

What I would say is a couple of things. We have seen DTA consumption obviously doesn't happen in a day. It's something that you may not have seen us consume lot in the last few years, but, and you can see some of this through the disclosures, our U.S. profitability has been increasing. Actually, 2025 was much greater than 2024 and 2023 respectively. So we have seen the momentum. That's also why we're confident making this commitment. Secondly, in first quarter [2026] earnings I spoke about how this year we're expecting \$800 million and above of burn. And that comes hopefully you saw it come across. But the you know each of the business heads were talking, you heard Vis talk about his home strategy right.

And how he really wanted to outperform there. Of course Pam is 100% U.S profitability. So all that journey that she showed of improving returns for the last few years underpins a lot of what, what you've seen. Andy of course, as well, right. That improved profitability. A lot of it is U.S.-centric. I can go on and on. But that to me is what underpins the path that we are that we're, you know, forecasting as it relates to the DTA burn. So it is. And by the way, the last thing I would say is that Jane has made it part of everyone's scorecard out here myself, included.

JANE FRASER: Part of the culture change.

(LAUGHTER)

JENN LANDIS: Thank you. I think we have a question back there.

MANAN GOSALIA: Hi, Manan Gosalia, Morgan Stanley. Gonzalo, question for you. You know, as you think about the expense ratio this year, it's about 60%. There's going to be revenue growth from here. Transformation costs are coming down, stranded costs are coming down. So as you think about the range of 55% to 60% that you've given in the in the near-term, can you help us narrow that down? And, you know, I think investments are also going to be self-funded largely over the near-term. So can you help us, just think through that expense number over the next couple of years?

GONZALO LUCHETTI: Alright. Thank you. Thanks very much for the question. Let me start by. first, I appreciate your confidence in us because you're giving it as a as a fact that we're going to meet our guidance for this year at the 60%. So I appreciate that.

JANE FRASER: Well we are.

GONZALO LUCHETTI: We are.

(LAUGHTER)

We are looking forward to three-peating, right. Because in two years in a row, we brought down our operating efficiency. And this will be the third year. And as you look into, into the near term in that 55% to 60% range, there's a few drivers there, right? The first one is client driven growth. And we just spoke about it right now, the mid-single-digit growth and how we're making the investments required to make sure that we can sustain that. Now you've seen us do that before, right? Our, our ex-Legacy Franchises CAGR is 6%. Last year our ex-notable items is 7% revenue growth. So we expect a continuation of our mid-single-digit revenue growth.

And that will help with the 55% to 60%. And then you go to the expense side right. And as we said, we're trying to make sure that we can self-fund the investments that, that we have spoken about the \$5 billion in incremental expenses as well as the technology spend that we were talking about. And to me, the test that I use is a confidence test. Have you seen it before? Can you touch it and feel it? Is it just, you know, a best efforts and an aspiration, or do you actually have plans that you're maniacally focused in every week?

And so, if I go through the three components that will help underpin that structural efficiency, you look at stranded cost: \$1.3 billion last year. First quarter, \$200 million. You annualize that, that alone already is showing you that we're coming down. I think we're going to do faster, probably. If you look at transformation, Jane has spoken about, we are at in our programs, 90% of them are at or near completion. As the programs get completed. We started in the first quarter [2026] already seeing those costs come down, and we showed you how we expect those to basically, you know, go away in the near term by 2028.

So I'm very confident in that. Right. Because it's trigger driven. This happens. That happens. It's not something that I need to go find it. And the third pieces are the functional and operational expenses. You heard from Pam about the investments in AI and, you know, and agent assist and you heard from actually from everyone else. So and those by the way, those functional and operational expenses, just to give you a taste, I spoke about milestones. I spoke about resources. You know, Anand Selva, our COO, Tim Ryan, they sit every single week we have, you know, all the processes mapped. We have our teams. Finance is part of that. My teams are engaged every single week. We have milestones. We have resourcing, we have targets. So it's a target driven exercise is not a, let me see what I can do.

JENN LANDIS: Great. Question over there. Back there.

GLENN SCHORR: Hi. Glenn Schorr from Evercore. So I asked this in the context of I'm sure your investors are very happy with you basically doubling what you earned about a year ago if you hit these targets. So I have two observations. One is, ex-Markets, the four other businesses have targets that are above the overall company's target.

And two is despite this great progress, if you hit on it, you'd still be a couple hundred basis points short of where some of your largest competitors have their targets. Is what it is they're all targets. So I'm looking for the high-level thought of, one is that have something to do with the competitive, capital intensity of what you are building out, like Markets? Is there just conservatism built in towards the denominator question? Or expenses or maybe leaving room in there for a credit cycle? So. just curious on the high-level view. Thanks.

JANE FRASER: Look, as we take the continuation of the journey that we started in Investor Day in 2022, we're taking you through the step by step of how do we get up to

the medium term. Do all of us around the table, believe there's further upside from the firm from there? Absolutely. But, and again, you've seen this I think, you know, you know me. You know us by now. We are maniacally, relentlessly focused on delivering step by step what we need to be doing. We've laid you out a very deliberate path.

We're ensuring we have the flexibility to invest so that we can be driving both the medium term and beyond return profile of the firm, making sure it's durable, making sure it comes in line with the peers eventually. I think there's some business mix issues here, that get taken into account. There's some taxation elements that get taken into account, but, let us focus on 11% to 13% first, 14% to 15% afterwards. And we'll be back at that point to update you on what the path is from there.

JENN LANDIS: I think we have time for two more questions.

RICHARD RAMSDEN: It's Richard Ramsden from Goldman Sachs. Great presentation. You spent some time talking about the opportunities from AI. Can you spend a couple of minutes talking about some of the risks that you're thinking about? And just in the interest of time, can we just narrow it to the Services and the Wealth business, where I think there's a lot of focus and maybe talk a little bit about what you're doing to protect against those things.

SHAHMIR KHALIQ: Sure, maybe I can?

JANE FRASER: Yeah, go for it Shahmir.

SHAHMIR KHALIQ: So as I mentioned, and I specifically talked about it, is that whatever we're doing in AI is in full partnership with Zdenek and all of our Risk partners and our Audit partners. So anything that we do, effectively has to go through a process where our second line partners, Operational Risk partners, have to sign off on it. Between Model Risk Management, Operational Risk Management, Audit. We take them along for the ride. So before anything gets deployed. So hopefully that gives you a view.

And then as we deploy some of the AI, and I talked about some of the use cases that we've deployed, we have a model review process as well where we say, what are the

outcomes from the model as we've deployed the model, does this model behave like we would expect it to?

And I think the third piece of it is that as we've deployed models, there are clearly processes. If you think about just the 20-25 odd million payments every day that we do, if we employ the model just to execute those transactions, as our COO loves to say, even if the model is 99.9% effective, you're going to have a 0.1% chance that you're going to have a payment go bad. So how do you think about putting a human in the loop in how you think about, processing that transaction? So it's all of those thoughts going into, how do we deploy a model, how do we keep humans in the loop as part of the proposition. We should still be able to generate saves and get the right outcomes from the model. But it needs to be, a full circle where a model gets reviewed, gets launched with Risk, and oversight, and then consistently improved over time.

Hopefully I answered your question, but it's a really engaged process with second line and third line to say what we are deploying in a governed way with oversight and controls is how we are thinking of, having rolled out this, AI strategy. Again very early days, there's still a lot of work to do, but risk is very much, front of mind as we're thinking about rolling out models.

JANE FRASER: Go for it Andy.

ANDY SIEG: I'll just jump in, I won't repeat many of the same themes that Shahmir just went through because they apply, you know, to Wealth. But Richard, to your question, I'd say, you know, we're very aware of the risks, but we're, you know, we also are very excited about the opportunities for risk mitigation that come from deploying AI.

And so I'll just give you two examples. I mean, in Wealth management, one of the most important things that all firms are trying to do is ensure consistency across a scale advisor group in terms of how clients are being approached, the kind of advice that's being delivered. You can create that level of consistency in, again, very powerful ways using AI.

And then in terms of our supervisory processes, I mean, historically supervisory processes involved a good deal of sampling. You know, with AI, you've got an opportunity for truly, you know, auditable interactions with clients happening

continuously, so that that focus on consistency and continuous oversight of the business. These are massive new opportunities to risk manage these businesses.

JANE FRASER: And I would just add that from a competitive risk dimension, if we look at Services, the scale, we've just consistently shown that we disrupt ourselves. So we're not in a mindset of protect what we have. We're in the mindset of build what we need. And if that requires disruption, we will do so. And I think the same for Andy. I remember the day, Andy, when you and I sat down, I said, go for it. Go and disrupt everyone else in Wealth.

ANDY SIEG: You should do things that make other people nervous.

JANE FRASER: Yeah.

JENN LANDIS: Time for one last question.

MATT O'CONNOR: Matt O'Connor, Deutsche Bank. Want to ask a question on, prime brokerage within equities. Obviously you highlight that as an area, key driver going forward. And to be frank, like some of your peers have kind of gotten a head start, been focusing on it the last few years and have had good execution there. But I also hear that there's kind of an endless demand for it from the client base. So look, maybe I'm answering my own question, but you know how much of this is kind of gaining share with, you know, new product, new technology, new people? And how much of it is just the kind of endless demand that's out there? Thank you.

ANDY MORTON: Thanks. And you helped me with the answer. It's a little of both. You know, I think it's one of the reasons why we're pursuing this. And I hope my diagram was very clear. Our clients are telling us, you know, literally, that they want us to enter this game, and it's exactly for the two reasons that you said. Partly because there's the endless demand, and partly because they they'd rather meet that demand at the margin with, with a new player, you know, they'd rather have a fourth big player on top of the three. So that's one of the reasons that we're pursuing this long-term strategy to grow it. We're doing it at a reasonable pace. I think there would have been ways, you know, some others did it, there would have been ways to just buy a lot of balances at a very high price. And you get sort of a mix of things and maybe some of which you don't want, some of which you can't handle at that juncture.

We're doing it in a very, very even measured pace. As I think I mentioned we were definitely helped by the market going up, but we're doing more than that. And as we have these investments, we can take on more, and it's all powered by the fact our equity derivatives business is just churning out the money. And so it helps to fund this thing.

But yeah, the implicit answer you had in your question is exactly right. It's a combination of the demand from clients and the need to maybe have a fourth big provider that's worldwide, you know, and I think that's one of the reasons perhaps why, you know, the European banks have maybe not grown at the same pace as the U.S. banks. They just don't have as full a platform.

JENN LANDIS: Thank you. Thank you everyone. Now I'm going to turn it over to Jane for some closing remarks.

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