

TRANSCRIPT

2026 Investor Day

May 7, 2026

Speaker

Pam Habner, Head of U.S. Consumer Cards



Good morning. I'm Pam Habner, and I'm delighted to be here today to talk about Citi's consumer card business. I joined the firm in 2020 after a long career in financial services, because I believe in the Citi brand and the potential of the firm. I led the Branded Cards business until earlier this year, when I became the head of the combined U.S. Consumer Cards. Our CFO, Gonzalo Luchetti, previously led U.S. Personal Banking. And thanks to his leadership, USCC is a business with a solid foundation. We have scale, strong top-line growth, and we operate near target returns. And now we have the opportunity to take the business to the next level by accelerating investments in growth. Today I'll share our progress, proven business model and how we're playing to win in an ever-changing market.

Let's start with an overview of U.S. Consumer Cards. Our mission is to win the hearts, minds, and wallets of U.S. consumers. And as you can see from this slide, we offer three product lines. Our primary focus is general purpose cards. With a range of Citi branded and co-branded cards, these products are issued on major networks like Mastercard and Visa. We also offer private label cards for consumers to use exclusively in-store. But as you may know, the demand for private label cards has been declining over time. That's why we reduced our exposure and increased investments in co-brand. Today, most of our private label partners like Macy's and BestBuy offer co-brand cards as well.

We also offer digital installment loans. Now, this is a relatively new business for Citi, but it's gaining traction as more customers look for buy now, pay later options. We're the number three card issuer with 14% of loans and over 70 million customers. That's about 1 in 4 U.S. adults with a Citi card. And our base of customers is growing. Last year alone, we acquired 13 million new accounts. Many of those came through partnerships with 12 marquee brands.

Now let's take a look at our financial performance. We'll start with customer drivers on the left. The data shows that our focus on general purpose is working. General purpose represents the majority of acquisitions, and 92% of our spend. This helped us deliver a record \$626 billion in total spend last year, and led to strong revenue and returns. In fact, revenue has grown at a healthy 8.4%, reaching \$18.3 billion with a RoTCE of 22%. We've delivered on every one of our [2022] Investor Day commitments and set the business up for sustained and profitable growth.



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Turning to the next slide. We often get questions about our credit losses. So let's dig a bit deeper into this topic. Strong risk discipline has allowed us to grow loans while stabilizing loss rates now at around 4%. So how are we building resilience through the cycle? First, we shifted the mix of loans to general purpose with lower loss rates and acquired higher FICO customers. Second, we stayed within our risk appetite and maintained prudent reserves. Today, reserves are at 8%, as we prepare for potential economic headwinds. Third, we negotiate terms in our partner agreements to share in downside risk through the cycle. Now, NCL is slightly higher today than pre-pandemic, but that's largely due to macro factors like higher unemployment. Looking ahead, we're getting even smarter. We're leveraging data and AI to elevate our models and modernize risk processes.

Since our last [2022] Investor Day, we've made significant progress on our strategic priorities. First, we committed to innovating across products, and we delivered. We refreshed and launched 18 products. We also re-entered the premium card space, and Strata Elite is key to attracting affluent customers and deepening engagement with our Wealth clients. We also elevated the customer experience by upgrading more than ten core platforms, and we improved servicing with the help of AI in all of our call centers.

We've expanded key partnerships, signing six new agreements, often with improved terms. And we're especially proud of our expanded partnerships with American and Costco. And as I mentioned earlier, we pivoted our partner cards towards general purpose. In fact, we've exited 12 private label programs, and we grew general purpose to 82% of loans. The upside potential is significant. Citi co-brand customers spend eight times more and carry two times higher balances than private label customers.

Going forward, we'll build on this momentum by leveraging our proven business model. We call this the USCC flywheel. The flywheel starts with a holistic suite of competitive products, attracting a strong and growing base of high-quality customers, enabling us to partner with marquee brands to power Citi's commerce ecosystem, which deepens loyalty with both customers and merchants. Our business generates scale economics and strong margins so we can keep investing in innovative products, partnerships and platform. And so the flywheel keeps turning to create a virtuous cycle of growth. On the right, we are fortunate to operate in a large and growing market. The industry is expected to grow at around 5% in the coming years. And our core competencies, these

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are assets we've built over decades create a strategic moat in a highly competitive market.

Now let's spend some time discussing each element of the business model. We'll start with products. We're incredibly proud of the suite of cards we've designed to serve a range of customers' needs. Customers have responded and the industry has taken notice. Since 2025 alone, we've earned more than 80 'best of' accolades. Newsweek listed Citi Strata Elite as a best new card, and the Points Guy named Double Cash as the cash back credit card of the year. And the list goes on.

While we appreciate the recognition, what we really care about are results, and investing in product innovation has been a key driver of growth. Last year when we introduced the Strata family, we saw a 38% increase in new accounts. That's a big number. When we became the sole card issuer for American and introduced a new mid-fee card, accounts grew 18%. And just last month, we successfully converted the Barclays co-brand, adding millions of high-quality customers. We saw similar results when we extended our Costco partnership. So the pattern is clear and you can expect to see more of the same in the coming years.

Now let's talk about my favorite topic, our customers. We're pleased to see our innovative products have attracted high quality customers. Over the past four years, we've grown our base of affluent and younger customers, deepened engagement and built long-lasting relationships.

There are many proof points on this slide, so I won't read all of them, but I would draw your attention to the chart on the upper right. This shows our acquisition engine isn't just growing accounts, it's compounding value. Since 2022, we've increased lifetime value of new accounts by 20% while maintaining retention at 98%. With the help of AI, we're building even more sophisticated tools driving towards hyper-personalized offers to take our marketing to the next level.

Going back to our mission to win the hearts, minds and wallets of our customers, we've been investing in a lifestyle platform with compelling rewards, travel, dining and shopping benefits. As a result, these programs have grown dramatically. Just take a look at the travel category. In 2023, we partnered with Booking.com to offer a whole new travel portal. We created a premium hotel collection and added hundreds of travel

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partners. As a result, spend on the program is up 32% and customers who use Citi Travel spend seven times more. We see similar trends across categories. Customers who redeem ThankYou rewards spend nearly ten times more. These are clear signs of enduring engagement. So to keep the platform fresh, we'll keep adding benefits and expanding categories.

Now let's turn our attention to our partners. We're proud of the relationships we've built with 12 strategic partners, including 8 of the top 50 retailers in the U.S. These include brands like The Home Depot, American, Costco, Macy's and more. And it's worth noting that most of these partners are also very important corporate clients. The mutual benefits of these relationships are real. For partners, we deliver share shift, with cardholders spending three times more than regular shoppers in their stores. For Citi, partners offer access to a loyal customer base through efficient partner channels. The key to success here is growing together. This win-win formula has led to long-lasting relationships with an average tenure of 16 years. It's pretty incredible to think that American Airlines is approaching four decades with Citi. And AT&T, nearly three decades. Looking ahead, we'll add new partners and integrate more deeply into their digital channels with a broader set of Citi payment options.

Together, our lifestyle and payment platforms create a powerful commerce ecosystem. Customers who carry Citi cards enjoy a range of benefits, as well as payment flexibility and the backing of our service and protections. On the other side, partners benefit from a powerful marketing engine, generating incremental sales, customer insights, shared economics and competitive network terms. The value to Citi is deeper loyalty and access to merchant funded benefits to enhance our products and reduce our dependency on expensive, points-based rewards.

Now we'll move into the last element of the flywheel driving scale economics. Over time, we've invested in transforming key processes to reduce the cost to serve while improving the client experience. Digital, data, machine learning and AI have all been enabling this transformation. To bring our strategy to life, we have two case studies. Let's take a look at customer service. Digital adoption has grown 18%, while the cost per account has declined 12%. The impact on collections is even more dramatic, with digital collections up 21%, while cost per delinquent account is down 22%. During the

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same time frame, our digital Net Promoter Score has risen five points. This is a key marker of customer satisfaction.

The savings we generate are used to improve efficiency and also reinvest in growth. This is how scale becomes a strategic advantage. And this is also where AI takes center stage. We've been rapidly embedding AI across every aspect of the card business, and it's been a game changer. This isn't just about playing defense and reducing expense. It's about playing offense, leveraging AI to win with customers and unlock top line growth. Early focus areas are on track to deliver meaningful results this year.

I'll give you some examples. In risk, we've been using machine learning for decades now. We're deploying new AI models, increasing approval rates by 100 basis points. In controls, we're using AI to build a smarter smoke detector. This cuts time by 95%, so we can resolve customer issues before they spread. In customer service, we've used gen AI to improve our IVR, and we rolled out Agent Assist. This reduces call handle time by 60 seconds. Technology developers are managing teams of A.I. coding agents. That's driving productivity gains up to 40% in software development time. And lastly, in marketing, we're using AI for personalization and generative search optimization to help Citi Cards show up when customers turn to AI for recommendation. This is helping us grow digital sales by 25%.

AI is quickly becoming part of our DNA as we prepare for the next frontier, agentic commerce. We can envision a future where a customer's personal AI assistant can advise and execute transactions on their behalf. Just think about it. An AI agent could automatically rebook a canceled flight and arrange transportation, paying with the card that offers the best travel benefits and protections. As agentic commerce evolves our mission is clear: to work with industry players to ensure AI agents keep Citi cards top-of-wallet to transact safely and securely on behalf of our customers.

Now, let's bring all the pieces together.

We are a scale player confident in the future of U.S. Consumer Cards. We plan to accelerate investments in product innovation, grow acquisitions with advanced marketing, expand key partnerships and deepen loyalty with our commerce ecosystem. We will sustain scale economics by continuing to deploy AI across the business. You

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can expect to see an increase in the mix of general purpose, total loans and revenue growing at mid-single digits, and through the cycle returns in the low 20s.

We have momentum, a proven business model, an incredibly talented team with a passion to win, and the investments to fuel growth well into the future. Thank you for your time today.

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