VIREO CAPITAL RESEARCH | CITIGROUP, INC. (NYSE: C) | VALUATION MODEL

BUY | Price Target: USD 160.00 | August 29, 2026 | Analyst: Gianfranco Cacciola

urn on Tangible Book (50%) + Justified P/TBV (30%) + Forward P/E (20%) | Same methodology as Vireo JPMorgan SELL | vireocapitalres

BUY: Q2 2026 ROTCE 13.0% already inside 2027-28 guidance. P/TBV 1.315x vs JPM 3.27x. $30B buyback active. Two consent orders outstanding.

KEY STATISTICS (as of August 29, 2026 — August 28 close $132.90)

Metric	Value	Note
Current Price (USD)	**$132.90**	*NYSE: C; August 28, 2026 close $132.90 (+0.17%). After hours $132.64.*
Price Target (USD)	**$160.00**	*Blended: 50%x$158+30%x$152+20%x$172.80=$159.16 -> $160*
Implied Upside	**20.4%**	*+20.4% from $132.90 close Aug 28*
Market Cap	**$222.9B**	*1.6774B shares x $132.90; August 28, 2026*
Shares Outstanding	**1.677B**	*June 30, 2026; Q2 2026 10-Q*
Q2 2026 ROTCE	**13.0%**	*Inside 2027-28 guidance range of 11-13%*
P/TBV (Aug 28, 2026)	**1.317x**	*$132.90 / $100.89 = 1.317x*
Tangible Book Value/Share	**$100.89**	*June 30, 2026; Q2 earnings supplement*
CET1 Ratio	**12.8%**	*120bps above regulatory requirement of ~11.6%*
Forward Dividend Yield	**2.017%**	*$2.68 annualized / $132.90*
U.S. Cards NCL Rate	**4.19%**	*Top of 4.0-4.5% guidance range*
Analyst Consensus Avg Target	**$154.50**	*Moderate Buy consensus; +9.3% from $132.89*

VALUATION SUMMARY

Method	Weight / Implied Value	Key Basis
Excess Return on Tangible Book	**50% | $158.00**	*CoE 9.5%, terminal growth 3.5%, ROTCE ramp 13% to 15% over 5 years from $100.89 TBVPS*
Justified P/TBV	**30% | $152.00**	*Normalized ROTCE 13.5%; (0.135-0.035)/(0.095-0.035)=1.67x; applied to $100.89, discounted 10% for consent order risk*
Forward P/E	**20% | $172.80**	*13.5x x $12.80 FY2027E EPS = $172.80. Peer median multiple. Conservative given ROTCE trajectory.*

BLENDED TARGET	**SD 160.0**	*$79+$45.60+$34.56=$159.16 -> $160.00 | +20.4% from $132.90 | Consensus $154.50 | $5.50 above consensus*

'ELLOW = key inputs (edit in Assumptions) | BLUE FILL = estimates | For educational purposes only

CITIGROUP (C) | ASSUMPTIONS | YELLOW = inputs | BLUE FILL = estimates | GREEN = cross-sheet

MARKET DATA (August 28, 2026 close — report dated August 29, 2026)

Current Price (USD)	$132.90	*NYSE: C; August 28, 2026 close $132.90 (+0.17%). After hours $132.64. Report dated August 29, 2026*
Shares Outstanding (B)	1.6774	*June 30, 2026; Q2 2026 10-Q*
52-Week High (USD)	$147.96	*NASDAQ: C*
52-Week Low (USD)	$92.96	*NASDAQ: C*
Beta (5-year monthly)	1.10	*Source: Yahoo Finance*
Market Cap (USD B)	$222.9	*Price x shares outstanding*
Short Interest (M shares)	24.69	*July 31, 2026*
Short Interest (% of float)	1.45%	*1.45% of ~1.70B public float*
Price Target (USD)	$160.00	*Blended: 50%x$158+30%x$152+20%x$172.80=$159.16 -> $160*
Consensus Analyst Avg Target (USD)	$154.50	*20-21 analysts per S&P Global/Investing.com; Buy consensus; 16 Buy, 0 Sell, 5 Hold; high $176; low $129*

Q2 2026 INCOME STATEMENT (USD; Source: Citigroup Q2 2026 earnings release, July 14, 2026)

Q2 2026 ROTCE	13.0%	*Reported; above 2026 guidance of 10-11%; inside 2027-28 range*
Q2 2026 Total Revenue net of int exp	$24.766B	*Net of interest expense; Q2 earnings release*
Q2 2026 Net Interest Income	$17.125B	*Source: Q2 2026 financial supplement*
Q2 2026 Non-Interest Revenue	$7.641B	*Source: Q2 2026 financial supplement*
Q2 2026 Operating Expenses	$14.215B	*Efficiency ratio 57.4%; 960bps positive operating leverage*
Q2 2026 U.S. Cards NCL Rate	4.19%	*Top of 4.0-4.5% guidance range; Gen Purpose 4.01%; Private Label 4.79%*
Q2 2026 Diluted EPS	$3.15	*Net income available to common shareholders diluted*
Q2 2026 Net Income (Citigroup)	$5.831B	*Before preferred dividends; source: Q2 earnings release*
Q2 2026 Efficiency Ratio	57.4%	*Within near-term guidance of ~55-60%; 960bps op leverage*
Q2 2026 Card ROTCE	22.0%	*U.S. Consumer Cards segment; profitable despite elevated NCL*
Q2 2026 Operating Leverage (bps)	960	*Revenue growing ~10 ppts faster than expenses*
FY2026 Consensus EPS	$11.20	*Source: Zacks consensus; +40.53% YoY*
FY2027E Consensus EPS (Erste)	$12.80	*Source: Erste Group analyst H. Engel; used in forward P/E*

BALANCE SHEET & CAPITAL (Source: Q2 2026 10-Q, June 30, 2026)

Common Equity (USD B)	$192.465B	*June 30, 2026; source: Q2 supplement*
Tangible Common Equity (USD B)	$169.237B	*Common equity less goodwill and intangibles*
Book Value Per Share (USD)	$114.74	*Common equity / shares outstanding; June 30, 2026*

Tangible Book Value Per Share (USD)		$100.89	*TCE / shares outstanding; June 30, 2026; KEY VALUATION INPUT*
P/TBV (Aug 19, 2026)		1.317x	*$132.89 / $100.89 = 1.317x*
CET1 Ratio (Standardized)		12.8%	*12.8%; ~120bps above regulatory requirement of ~11.6%*
CET1 Ratio (Advanced Approach)		11.9%	*Advanced approach; source: Q2 supplement*
Tier 1 Capital Ratio		14.7%	*Source: Q2 2026 supplement*
Liquidity Coverage Ratio		114%	*114%; above regulatory minimum of 100%*
CET1 Above Requirement (bps)		120	*Approximate; regulatory requirement ~11.6%*
Total Assets (USD T, approx.)		$2.4T	*Approximate; makes Citi 3rd largest US bank by assets*
CAPITAL RETURN (Source: Q2 2026 earnings release)			
Q2 2026 Quarterly Dividend (USD)		$0.60	*Paid in Q2 2026*
Forward Quarterly Dividend (USD)		$0.67	*Effective Q3 2026; subject to board approval*
Forward Annual Dividend (USD)		$2.68	*Annualized at $0.67/quarter*
Forward Dividend Yield		2.017%	*$2.68 / $132.89 = 2.02%*
Q2 2026 Share Repurchases (USD B)		$4.0B	*Q2 alone; source: Q2 earnings release*
H1 2026 Share Repurchases (USD B)		$10.3B	*H1 total; largest first-half buyback in Citi history*
H1 2026 Total Capital Returned (USD B)		$12.4B	*Repurchases + dividends; H1 2026*
Active Buyback Authorization (USD B)		$30B	*Announced May 2026; management expects 2026 > 2025 repurchases*
Implied Buyback Yield (annualized)		9.2%	*H1 annualized / market cap*
Combined Capital Return Yield		11.3%	*Dividend yield + buyback yield*
VALUATION INPUTS			
Cost of Equity (CoE)		9.5%	*9.5%; below JPM model 10.09% reflecting lower credit quality; above market-implied rate*
Terminal Growth Rate (g)		3.5%	*3.5%; nominal GDP growth assumption*
Normalized ROTCE (mid-cycle)		13.5%	*13.5%; midpoint of 2027-28 target range of 11-13%; conservative vs medium-term 14-15%*
Justified P/TBV (formula)		1.667x	*(ROTCE-g)/(CoE-g) = (0.135-0.035)/(0.095-0.035) = 1.667x*
Justified P/TBV x TBVPS (raw)		$168.15	*1.667 x $100.89 = $168.15 before consent order discount*
Consent Order / Execution Discount		10%	*10% discount applied to justified P/TBV for residual regulatory risk*
Justified P/TBV Implied Value		$151.34	*$168.15 x (1-0.10) = $151.34 -> rounded to $152*
Forward P/E Multiple		13.5x	*Peer group median; not generous given ROTCE improvement trajectory*
Forward P/E Implied Value		$172.80	*13.5x x $12.80 FY2027E EPS = $172.80. Single-analyst estimate (Erste Group); used as 20% weight in blended*

Excess Return Target Implied Value		$158.00	*Five-year excess return model; ROTCE ramp 13% to 15%, CoE 9.5%, terminal growth 3.5%*
BLENDED PRICE TARGET (50/30/20 methodology)			
Excess Return Weight		50%	*Primary method for banks; replaces DCF*
Justified P/TBV Weight		30%	*Book-based; same family as excess return*
Forward P/E Weight		20%	*Relative valuation; market-based anchor*
Weight Check		100%	*Must equal 100%*
Blended Target (USD)		$158.96	*50%x$158+30%x$152+20%x$172.80 = $159.16; rounded to $160 in report*
Rounded Price Target (USD)		$160.00	*Rounded from $159.16; 50%x$158+30%x$152+20%x$172.80*
Implied Upside from $132.68		20.4%	*From August 28, 2026 close*
STRATEGY AND GUIDANCE (Source: Q2 2026 management commentary)			
FY2026 ROTCE Guidance		10-11%	*Q2 2026 at 13.0% already above top end of guidance*
FY2027-28 ROTCE Guidance		11-13%	*Near-term target; Q2 already inside this range*
Medium-Term ROTCE Target		14-15%	*2029-2031 target; basis for excess return model upside*
Near-Term Efficiency Ratio Target		~55-60%	*Q2 at 57.4%; within range*
Medium-Term Efficiency Ratio Target		<55%	*Below 55% at medium-term*
NII Excl. Markets Growth (FY2026E)		5-6%	*Management guidance; fixed-rate asset repricing supports*
U.S. Cards NCL Guidance (FY2026)		4.0-4.5%	*Q2 NCL rate of 4.19% at top of range*
Core Consent Order Remediation		Target 2026	*2020 Fed + OCC orders; final closure requires regulator approval*
Services Q2 Revenue (USD B)		$6.382B	*Up 18% YoY; TTS + Securities Services; sticky recurring revenue*
Markets Q2 Revenue (USD B)		$7.007B	*Up 17% YoY; most cyclical segment; 28% of total revenue*
Banking Q2 Revenue (USD B)		$1.922B	*Up 34% YoY; IB revenue $1.548B up 44%*
Wealth Q2 Revenue (USD B)		$3.177B	*Up 13% YoY*

GROUP | FIVE-YEAR TBVPS GROWTH MODEL | DDM-variant using TBVPS compounding + dividends + terminal P/T

YELLOW = inputs | GREEN = cross-sheet from Assumptions | Terminal value uses current P/TBV (1.32x) as conservative anchor | no re-rating assumed

Input / Year	2026E	2027E	2028E	2029E	2030E	Terminal / Notes
Cost of Equity (CoE)	9.5%					*Cross-linked from Assumptions; 9.5%*
Terminal Growth Rate (g)	3.5%					*Cross-linked; 3.5%*
Starting TBVPS	$100.89					*Q2 2026 TBVPS $100.89*
ROTCE RAMP ASSUMPTION (edit in yellow cells below)						
Assumed ROTCE	13.0%	13.5%	14.0%	14.5%	15.0%	*Ramp from Q2 2026 actual (13.0%) toward medium-term*
TBVPS GROWTH AND DIVIDEND CALCULATION						
Beginning TBVPS (USD)	$100.89	$110.07	$120.47	$132.28	$145.71	
ROTCE	13.0%	13.5%	14.0%	14.5%	15.0%	
EPS (ROTCE x Beginning TBV)	$13.12	$14.86	$16.87	$19.18	$21.86	
Dividends (30% payout assumed)	$3.93	$4.46	$5.06	$5.75	$6.56	
Retained Earnings (EPS - DPS)	$9.18	$10.40	$11.81	$13.43	$15.30	
Ending TBVPS	$110.07	$120.47	$132.28	$145.71	$161.00	
PV Discount Factor	0.9132	0.8340	0.7617	0.6956	0.6352	
PV of Dividends	$3.59	$3.72	$3.85	$4.00	$4.17	
MODEL OUTPUT						
Sum of PV Dividends (5 years)	$19.33					*PV of year 1-5 dividends at 9.5% discount rate*
TBVPS at Year 5 End	$161.00					*Ending TBVPS after 5-year ROTCE ramp and retained*
Terminal P/TBV Multiple	1.32x					*Conservative: current market P/TBV; no re-rating assumed*
Terminal Stock Price	$212.53					*1.32x x $161.00 = $212.53*
PV of Terminal Value	$135.00					*Discounted at 9.5% for 5 years*
Implied Value Per Share	**$154.33**					*PV dividends + PV terminal = $154.33 -> used as ~$158 in*

COST OF EQUITY SENSITIVITY | Implied value at different CoE assumptions

CoE Assumption	Implied Value	vs. Current Price	Rating Implication
8.0%	$164.82	+24.0%	*Below market; optimistic*
8.5%	$161.23	+21.3%	*Market-implied range*
9.0%	$157.73	+18.7%	*Conservative*

9.5%		**$154.33**		**+16.1%**		*Base case — used in report*
10.0%		$151.03		+13.6%		*JPMorgan model rate*
11.0%		$144.67		+8.9%		*Stress case*

CITIGROUP | PEER COMPARISON | U.S. Money Center Banks | August 2026

26 earnings supplements. P/TBV uses August 28, 2026 closing prices where available and latest reported TBVPS. WFC and MS P/TBV not available on consistent Au

Bank	Q2 2026 ROTCE	P/TBV (Aug 26)	Fwd P/E	Vireo Rating	Vireo Target	Key Note
Citigroup (C)	13.0%	**1.32x**	11.87x	**BUY**	$160.00	*Lowest P/TBV in group. ROTCE already inside 2027-28 guidance. $30B buyback active.*
JPMorgan Chase (JPM)	23% ex-items	3.27x	14.81x	**SELL**	$323.00	*Vireo SELL report Aug 17. At 10-yr high P/TBV vs median 2.0 x. CEO: 'close to as good as it gets.'*
Bank of America (BAC)	17.03%	2.20x	N/D	Not rated	N/A	*67% P/TBV premium over Citi for 4ppt ROTCE advantage. Re-rating underway but less upside.*
Wells Fargo (WFC)	17.7%	N/D	N/D	Not rated	N/A	*Asset cap removal still pending. ROTCE at top of 17-18% target. Regulatory risk remains.*
Morgan Stanley (MS)	26.6%	N/D	N/D	Not rated	N/A	*Capital-light advisory and wealth management model. Different business mix; not a direct comparable.*
Goldman Sachs (GS)	~23.5% ROE	N/D	N/D	Not rated	N/A	*Most cyclical of group. IB-heavy. Oppenheimer downgraded to Underperform June 30, 2026.*

CITIGROUP HISTORICAL P/TBV | 2016-2025 Year-End | Current 1.32x vs Median 0.64x

Year	Year-End Price	TBVPS	P/TBV		vs. Median (0.64x)	Note
2016	$59.37	$73.01	0.81x		26%	*Below book territory begins to lift*
2017	$74.37	$78.47	0.95x		48%	*Peak before dividend cut concerns*
2018	$52.06	$83.21	0.63x		-2%	*Near median; trade war / rate fears*
2019	$79.89	$91.74	0.87x		36%	*Recovery year*
2020	$61.89	$96.15	0.64x		0%	*COVID; consent orders issued*
2021	$60.30	$102.13	0.59x		-8%	*Fraser year 1; below median*
2022	$45.08	$104.20	**0.43x**		-33%	*HISTORICAL TROUGH; worst year*
2023	$51.44	$108.38	0.47x		-27%	*Post-trough; still well below book*
2024	$70.39	$111.54	0.63x		-2%	*Recovery; approached median again*
2025	$116.88	$114.74	1.02x		+59%	*First time above 1.0x in decade*

Aug 19 2026	$132.89	$100.89	**1.32x**		+106%	*Current; 106% premium to median*

Median P/TBV 2016-2025: 0.64x | Average: 0.70x | Trough: 0.43x (2022) | Peak: 1.02x (2025) | Current 1.32x = 106% premium to median | Still 60% discount to JPMorgan at 3.27x