

MONTHLY RESEARCH WEBINAR

ARTIFICIAL INTELLIGENCE AND THE FINANCIAL SECTOR

Moderator:

Jim Kelleher, CFA

Director of Research

April 1, 2026

■ **Artificial Intelligence and the Financial Sector**

- Jim Kelleher, Argus Director of Research
- Steve Biggar, Director of Financial Research
- Kevin Heal, Fixed Income Strategist & Senior Analyst

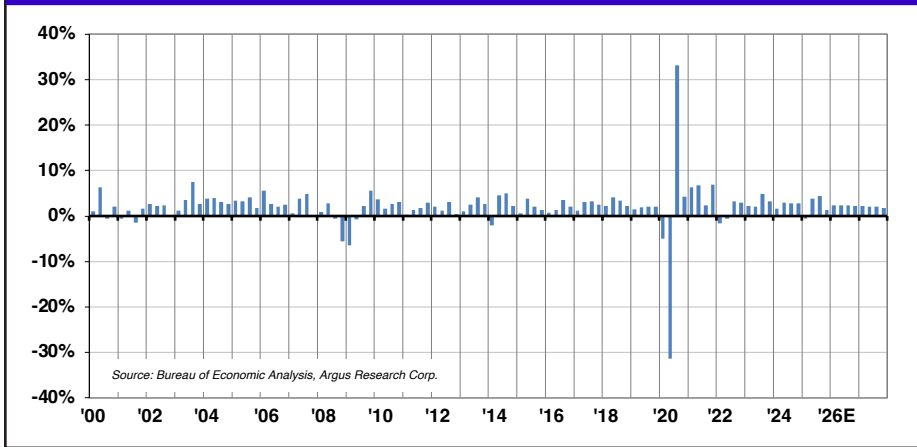
■ **Argus Quick Notes**

- U.S. Competitive Advantage: Aerospace/Defense
- Healthcare & AI
- Companies Raising Guidance
- Find these on the homepage of our website

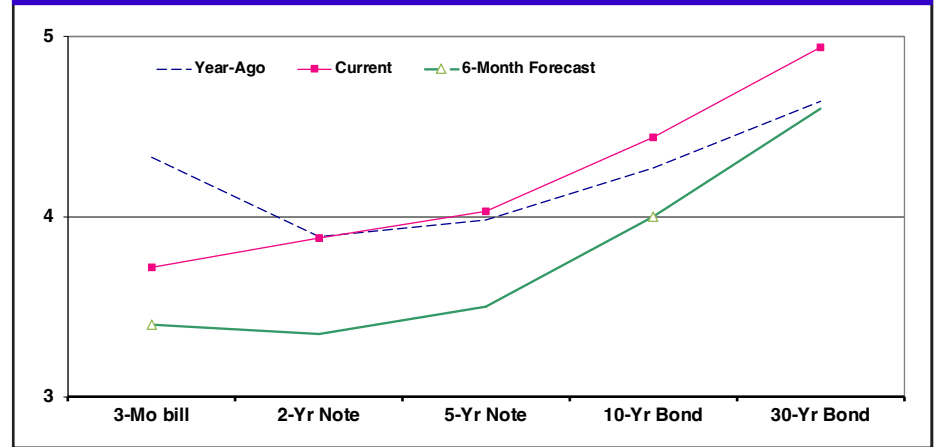
■ **Portfolio Update: the Argus High-Yield Model Portfolio**

- Value is leading growth in 2026
- Value is the place to find high income
- High-yielding companies grow their dividends slowly but steadily
- Find the Argus High-Yield MP on the homepage of our website

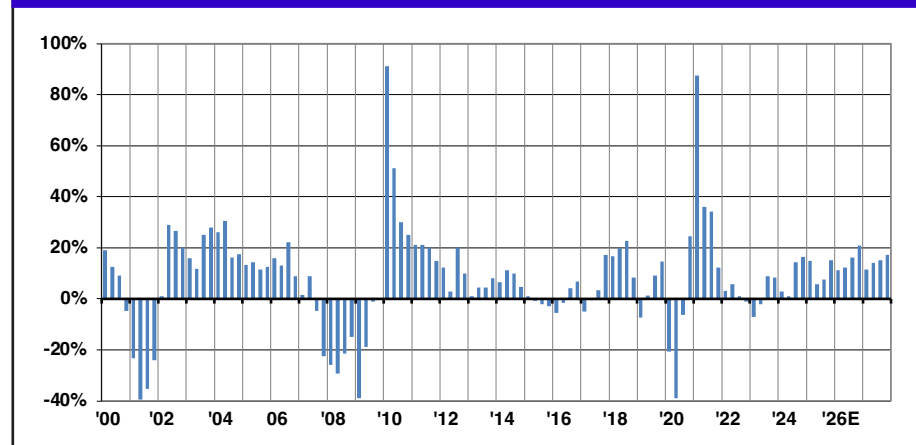
REAL GDP W/FORECASTS



TREASURY YIELD CURVE (%)

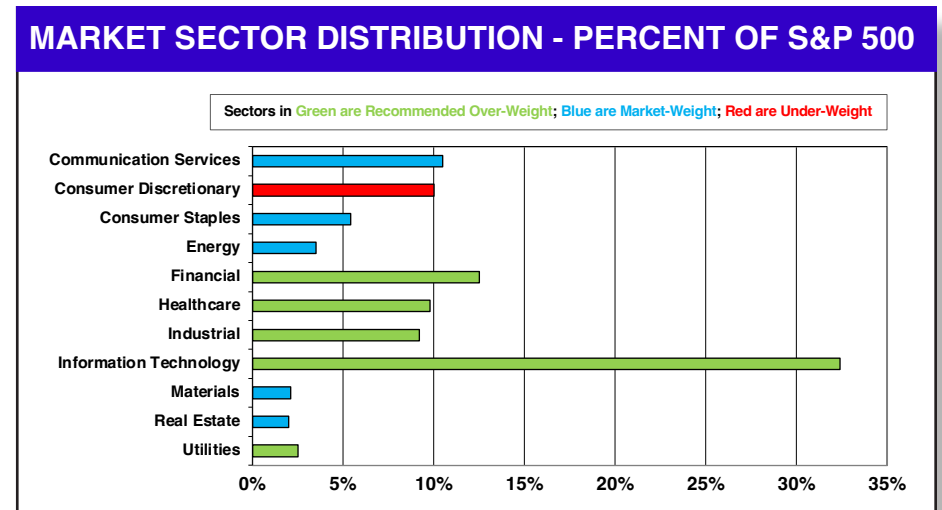
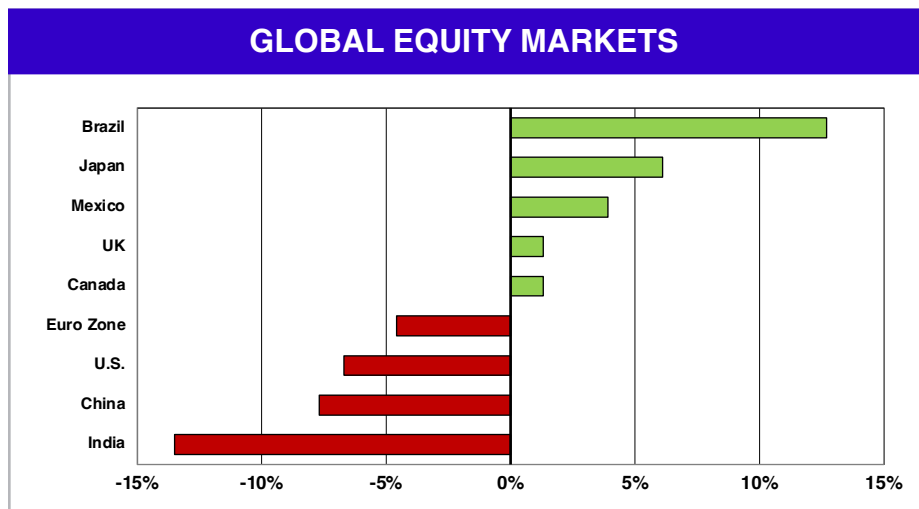
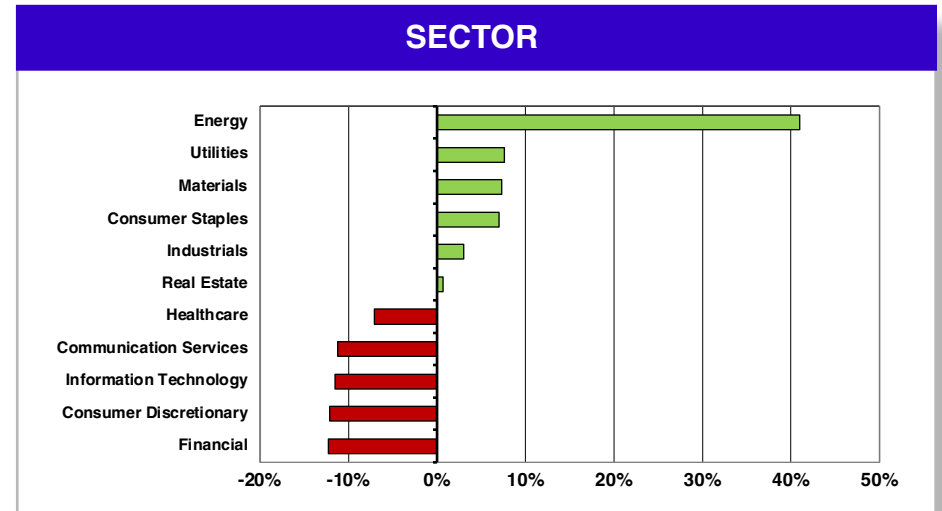
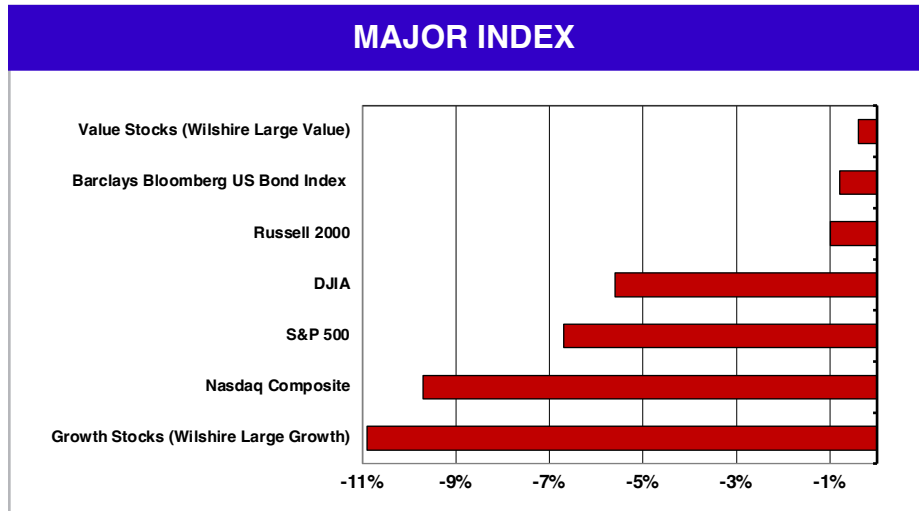


S&P 500 QUARTERLY EARNINGS GROWTH



MARKET PERFORMANCE

DATA AS OF MARCH 27, 2026



- **AI is one of our Key Investment Themes for 2026**
 - Fast-growing segment, with 55% CAGR sales growth estimated through 2030
 - 2030 AI total revenue forecast \$3.5 trillion – 15% of GDP
 - Present impact: key driver of above-trend GDP growth in 2025

- **We expect to see impact of AI broaden beyond tech in coming years**
 - Healthcare
 - Financial Services
 - Industrial & Energy
 - Consumer

- **Argus Innovation Framework**
 - New Products
 - New Markets
 - Better Products & Processes
 - Disruptors

■ Recommended Over-Weight

- 13% of S&P 500
- YTD Performance: -3.0% vs 1.4% for S&P 500
- 2025: 13.3% vs 16.4%
- 5-year CAGR: 9.8% - 12.5%

■ Key Metrics

- Value: P/E of 16x, P/S of 2.8x, Yield of 1.3% (Banks, Insurers higher)
- Growth: 9% historical rate versus 9% for S&P 500
- Outlook: 71% of sector companies topped EPS expectations in 4Q, surprise factor of 4.4%; revenue growth of 6%

■ Leading Sectors YTD

- Regional Banks
- PC Insurance

■ Lagging Sectors

- Diversified Financial Services
- Consumer Finance
- Transaction & Payment Processing Services

■ **AI Scope**

- Industry has moved beyond experimentation and into operationalizing AI
- Shift toward Agentic AI – autonomous systems that execute multi-step workflows

■ **Innovation: New Products/New Markets/Better Products & Processes/Disruptors**

- Risk reduction: Fraud detection
- Client onboarding
- Customer Services: budget management, bill pay, investment advice
- Lending & credit scoring
- Algorithmic trading
- Regulatory compliance
- Prediction markets

■ Banks/Brokers

- JP Morgan (JPM)
- Morgan Stanley (MS)
- Bank of New York (BK)

■ Financial Data/Exchanges

- SP Global Inc. (SPGI)
- Nasdaq Corp. (NDQ)
- Intercontinental Exchange (ICE)

■ Insurers

- Chubb Corp. (CB)
- Travelers Corp. (TRV)

■ Payments/Crypto

- Visa Inc. (V)
- Block Inc. (XYZ)

■ Equity Income

- BLK, BX, COF, JPM, RY, TFC

■ High Yield

- C, CFG, KEY, RY, STT, SLF, TFC

■ Sustainable Growth

- APO, GS, JPM, MA, NDAQ, SPGI, TRV, TFC

■ Institutional

- APO, JPM, LAZ, MCO, PRU, V, WFC

■ Dividend Growth

- JPM, V, AXP, BK, NDAQ, AIG, RJF

■ Growth & Income

- AXP, AMP, BAC, BX, MA

■ Growth

- BLK, SCHW, JPM, SPGI, V

Note, Argus Model Portfolio Strategies may be licensed for direct money management by our clients using either an AUA or SMA Argus solution. Reach out directly to Argus for more authorization details.

DISCLAIMER



The Argus trademark, service mark and logo are the intellectual property of The Argus Research Group, Inc. Investing in any security or investment strategy discussed in this presentation may not be suitable for you and it is recommended that you consult an independent investment advisor. Investments involve risk and an investor may incur either profits or losses. Past performance should not be taken as an indication or guarantee of future performance. Argus officers, employees, agents and/or affiliates may have positions in funds or stocks discussed in this presentation. The opinions and information contained herein have been obtained or derived from sources believed to be reliable, but Argus makes no representation as to their timeliness, accuracy or completeness or for their fitness for any particular purpose. Argus shall accept no liability for any loss arising from the use of this presentation or the materials contained in this presentation.