Credit Suisse
Financial Services Forum

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Jane Fraser
CEO, U.S. Consumer & Commercial Banking and CitiMortgage
**Highlights**

**Well-positioned franchise with global connectivity**
- Strategy consistent with Citi’s global consumer bank
- Strong presence among affluent and globally-minded consumers
- Leading deposit franchise
- Ability to leverage firm-wide investments and platforms to achieve scale

**Focusing resources on target clients and markets**
- Sharpening our client segment strategy to deepen relationships
- Concentrating our presence in 7 globally-connected urban markets with attractive growth prospects

**Adapting to changing customer behaviors**
- Accelerating migration to mobile / digital channels
- Reconfiguring branch network to optimize touchpoints
- Investing to support omni-channel banking
U.S. Retail Banking in Citicorp

$B$

Citi’s U.S. Retail Banking Franchise\(^{(1)}\)

- Offering full range of borrowing, saving and investment products
- 849 branches, concentrated in 7 markets
- ~6 million retail customers
- $171 billion in deposits
- $36 billion in AUMs
- $47 billion in loans, mostly mortgages
- $172 billion mortgage servicing portfolio\(^{(3)}\)
- Closely managed with U.S. Cards franchise – $114 billion in loans

Note: Totals may not sum due to rounding. GCB: Global Consumer Banking.

\(^{(1)}\) As of 4Q’14.

\(^{(2)}\) Includes Citi-Branded Cards and Citi Retail Services.

\(^{(3)}\) Represents third party mortgage servicing portfolio.

\(^{(4)}\) Revenues for full year 2014.
U.S. Retail Banking

Globally Connected
- U.S. retail is an important part of Citi’s ~3,300 branch global network
- Strong brand identity among international consumers

Firm-wide Capabilities
- Benefiting from global investments in Consumer products and technology
- Leveraging Institutional platform for wealth management / commercial banking

Attractive Footprint
- Concentrated in markets with high GDP growth and disproportionate share of affluent and global customers
- Citi’s top 7 markets represent 26% of total U.S. consumer deposits

Affluent Customer Base
- 58% of Citi households\(^{(1)}\) are affluent vs. 22% for U.S. banks average
- Nearly half of affluent households in key markets have at least one Citi product\(^{(2)}\)

Strong Deposit Franchise
- ~40% more deposits per branch than peers in top 7 markets\(^{(3)}\)
- Average deposits per branch up 17% YoY to ~$200 million in 4Q’14

Digitally Forward Bank
- Rated Best Global Internet Bank by Global Finance Magazine
- #1 for past 3 years in secure website rankings\(^{(4)}\)

Note:
(1) Source: IXI Custom Wealth Complete; Market Mix Model. Retail banking households, excluding mortgage customers. Affluent segment defined as total deposit and investment balances of $100K+ or income of $125,000+.
(2) Source: Citi data, 2014.
(3) Based on 2014 FDIC Market Share Analysis as of June 30, 2014. Peers include JPM, WFC, BAC. Normalized to exclude corporate and non-branch deposits.
Strong Franchise in Key US Markets

Franchise Strengths

<table>
<thead>
<tr>
<th>Affluent Customer Base (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100K+</td>
</tr>
<tr>
<td>42%</td>
</tr>
<tr>
<td>58%</td>
</tr>
</tbody>
</table>

Citi HHs | U.S. Average

<table>
<thead>
<tr>
<th>Leading Deposits per Branch (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relative deposits per branch in top 7 markets</td>
</tr>
<tr>
<td>1.4x</td>
</tr>
</tbody>
</table>

Branch Network Concentrated in 7 Major Cities (1)

- **San Francisco**
  - 108 Branches
  - $17B Deposits

- **Los Angeles**
  - 177 Branches
  - $21B Deposits

- **Chicago**
  - 65 Branches
  - $11B Deposits

- **Washington D.C.**
  - 36 Branches
  - $7B Deposits

- **Boston**
  - 17 Branches
  - $1B Deposits

- **New York**
  - 269 Branches
  - $83B Deposits

- **Miami**
  - 51 Branches
  - $13B Deposits

Note:
(1) Total branches = 849. As of December 31, 2014.
(2) Source: IXI Custom Wealth Complete. Affluent segment defined as customers with total deposit and investment balances of $100K+.
(3) Based on 2014 FDIC Market Share Analysis as of June 30, 2014. Peers include BAC, JPM, WFC. Normalized to exclude corporate and non-branch deposits.
Growing High Quality Deposits, AUMs and Loans

($B)

Average Deposit Growth\(^{(1)}\)

- **Total Deposits**
- **Checking Deposits**

\[\text{Indexed to 4Q'12}\]

<table>
<thead>
<tr>
<th></th>
<th>4Q'12</th>
<th>2Q'13</th>
<th>4Q'13</th>
<th>2Q'14</th>
<th>4Q'14</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAGR</td>
<td>8%</td>
<td>3%</td>
<td>8%</td>
<td>3%</td>
<td>8%</td>
</tr>
</tbody>
</table>

**Deposits\(^{(2)}\)**
- $171B

\(\text{CAGR: 8\%}\)

\(\text{Indexed to 4Q'12}\)

Assets Under Management

- **Total Deposits**
- **Checking Deposits**

<table>
<thead>
<tr>
<th></th>
<th>4Q'12</th>
<th>2Q'13</th>
<th>4Q'13</th>
<th>2Q'14</th>
<th>4Q'14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$29.9</td>
<td>$30.1</td>
<td>$30.4</td>
<td>$30.7</td>
<td>$31.0</td>
</tr>
<tr>
<td>CAGR</td>
<td>8%</td>
<td>3%</td>
<td>8%</td>
<td>3%</td>
<td>8%</td>
</tr>
</tbody>
</table>

**Total Loans\(^{(2)}\)**
- $47B

\(\text{CAGR: 6\%}\)

\(\text{Indexed to 4Q'12}\)

Loan Growth\(^{(1)}\)

- **Mortgages ($37B)\(^{(2)}\)**
- **Other ($10B)\(^{(2)}\)**

<table>
<thead>
<tr>
<th></th>
<th>4Q'12</th>
<th>2Q'13</th>
<th>4Q'13</th>
<th>2Q'14</th>
<th>4Q'14</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAGR</td>
<td>6%</td>
<td>4%</td>
<td>6%</td>
<td>4%</td>
<td>6%</td>
</tr>
</tbody>
</table>

\(\text{Indexed to 4Q'12}\)

Net Credit Loss Rates

- **Mortgage**
- **Other**

<table>
<thead>
<tr>
<th></th>
<th>4Q'12</th>
<th>2Q'13</th>
<th>4Q'13</th>
<th>2Q'14</th>
<th>4Q'14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money</td>
<td>1.3%</td>
<td>1.4%</td>
<td>1.2%</td>
<td>1.0%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Other</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

\(\text{Indexed to 4Q'12}\)

\(\text{Note:}\)

1. Index: 4Q'12 = 100%.
2. As of 4Q'14.
Resized for Growth and Profitability

Momentum Drivers

Revenues
- Consistent growth in loans, deposits and AUMs
- Improving deposit spreads
- Growing share of purchase mortgage originations

Efficiency
- Smaller, more productive branch network
- Shifting activity to digital
- Reduced headcount
- Rationalized support sites
- Significant re-sizing of mortgage origination platform

Revenue and Operating Leverage Trends

<table>
<thead>
<tr>
<th>2H'14 vs. 2H'13: +9%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q'14</td>
</tr>
<tr>
<td>2Q'14</td>
</tr>
<tr>
<td>3Q'14</td>
</tr>
<tr>
<td>4Q'14</td>
</tr>
</tbody>
</table>

Consumers & Commercial

Mortgage

Note: Totals may not sum due to rounding.

(1) Adjusted to exclude previously disclosed items: approximately $180 million gain on mortgage sale in 2Q'13; approximately $70 million gain on sale leaseback transaction in 1Q'14; approximately $50 million mortgage repurchase reserve release in 3Q'14; approximately $130 million gain on mortgage sale in 4Q'14.

(2) Year-over-year operating leverage, adjusted to exclude the items above, as well as legal and repositioning costs in each period.
Realigned the U.S. Mortgage Business

Anchoring Strategy in Citi’s Retail Segment

- Focusing on purchase transactions, with emphasis on Citi’s bank customers in Top 7 markets (>25% of industry originations)
- Enhancing partnerships with industry players (local realtors, digital partners)
- Creating a simpler, streamlined originations process for better client experience and controls

Resized Platform

(Core operating expenses(1), $MM)

<table>
<thead>
<tr>
<th>4Q'12</th>
<th>2Q'13</th>
<th>4Q'13</th>
<th>2Q'14</th>
<th>4Q'14</th>
</tr>
</thead>
<tbody>
<tr>
<td>$329</td>
<td>$332</td>
<td>$315</td>
<td>$270</td>
<td>$247</td>
</tr>
</tbody>
</table>

(34%) $230 ($221)

- Excluding legal and repositioning charges.
- Source: Inside Mortgage Finance.

Shifted to Retail-Driven Originations

(Retail, as % of total originations)

<table>
<thead>
<tr>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>25%</td>
<td>46%</td>
<td>42%</td>
<td>76%</td>
<td>81%</td>
<td>72%</td>
</tr>
</tbody>
</table>

Shifted to Purchase Originations

(% of total originations)

<table>
<thead>
<tr>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>31%</td>
<td>33%</td>
<td>35%</td>
<td>28%</td>
<td>36%</td>
<td>60%</td>
</tr>
<tr>
<td>60%</td>
<td>53%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note:
(1) Excluding legal and repositioning charges.
(2) Source: Inside Mortgage Finance.
## Executing in a Dynamic Environment

<table>
<thead>
<tr>
<th>Environment</th>
<th>Industry Response</th>
<th>Citi’s Advantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory Changes</td>
<td>• Increasing competition for affluent / emerging affluent customer segment</td>
<td>• Rationalized branch footprint concentrated in major cities</td>
</tr>
<tr>
<td>Low Interest Rates</td>
<td>• Reducing number and size of physical branches</td>
<td>• Strong existing base of affluent households</td>
</tr>
<tr>
<td>Changing Customer Behaviors</td>
<td>• Driving basic transactions to lower cost channels</td>
<td>• Leading deposit franchise</td>
</tr>
<tr>
<td>Drive to Digital</td>
<td>• Redesigning sales models in branch and online for more specialized services</td>
<td>• Ability to leverage global investments in digital / mobile platforms</td>
</tr>
<tr>
<td>Disintermediation</td>
<td>• Driving towards seamless, omni-channel banking experience</td>
<td>• Next generation global operating platform will support omni-channel banking</td>
</tr>
</tbody>
</table>
Execution Priorities

1. Sharpening Our Customer Segment Strategy
   - Differentiate value propositions and service models for each segment
   - Deepen customer relationships

2. Concentrating Our Resources in Key Markets
   - Focus on major cities, consistent with global strategy
   - Allocate resources to markets with the best growth prospects for Citi

3. Adapting to Changing Customer Behaviors
   - Establish ecosystem of physical locations, digital platforms, service centers and targeted marketing
   - Drive digital adoption
   - Optimize branch size and staffing model
   - Adapt branches to multi-format, hub-and-spoke model

4. Delivering an Omni-Channel Banking Experience
   - Deliver seamless, omni-channel banking to enhance customer experience and improve efficiency
   - Use technology to facilitate transformation

Adapting to our customers’ changing needs and behaviors
# Sharpening Our Client Segment Strategy

<table>
<thead>
<tr>
<th>Target Client</th>
<th>Citi Strategy</th>
<th>Progress: 2012 to 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consumer</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affluent &amp; Emerging Affluent</td>
<td>• Up-tier households with potential for balance and investment growth</td>
<td>• Citigold households (HH) +13%</td>
</tr>
<tr>
<td>(Citigold)</td>
<td>• Increase investment penetration</td>
<td>• Citigold deposits +15%</td>
</tr>
<tr>
<td></td>
<td>• Deliver holistic financial services (e.g., mortgages, cards, investments)</td>
<td>• ~75% of deposit and investment balances from Citigold HH</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Investment AUM +21%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• ~60% of Citigold are card customers</td>
</tr>
<tr>
<td>Mass Market</td>
<td>• Simplify service model and migrate to low cost channels (e.g., digital)</td>
<td>• 48% eStatement penetration, +1400bps</td>
</tr>
<tr>
<td>(Citibanking)</td>
<td>• Deepen wallet share in loan products as appropriate</td>
<td>• Card sales per branch +43%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• ~40% of total HH are card customers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• ~30% of mortgage HH in bank footprint are bank customers</td>
</tr>
<tr>
<td><strong>Commercial</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Businesses up to $2.5B of</td>
<td>• Enhance linkages with Institutional franchise to cross-sell services to upper end of</td>
<td>• Revenues per banker +28%&lt;sup&gt;(1)&lt;/sup&gt;</td>
</tr>
<tr>
<td>Sales</td>
<td>Commercial segment</td>
<td>• ~4.5x deposit-to-loan ratio</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

All business strategy and execution begins with the target client

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Note:

<sup>(1)</sup> Includes cross-sell with Institutional Clients Group.
Concentrating Our Resources in Key Markets

Focusing on most productive branches to deliver a remarkable customer experience

Note:
(1) Branch network concentrated in Boston, Chicago, Los Angeles, Miami, New York, San Francisco and Washington D.C.
(2) Source: FDIC Market Share Analysis as of June 30, 2014 and Nielsen demographic data.
2 Resulting in a More Productive & Growing Network

($MM)

Momentum Drivers

- Smaller, more nimble branch footprint
- Remaining branches are more productive and better aligned with urban-based global consumer strategy
- Leveraging investment and marketing dollars over a more concentrated footprint
- Streamlining infrastructure and support centers

Average Deposits per Branch

<table>
<thead>
<tr>
<th>Quarter</th>
<th>4Q'11</th>
<th>4Q'12</th>
<th>4Q'13</th>
<th>4Q'14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$144.9</td>
<td>$160.2</td>
<td>$171.5</td>
<td>$200.9</td>
</tr>
</tbody>
</table>

CAGR: 12%

EOP Loans per Branch

<table>
<thead>
<tr>
<th>Quarter</th>
<th>4Q'11</th>
<th>4Q'12</th>
<th>4Q'13</th>
<th>4Q'14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$38.3</td>
<td>$42.7</td>
<td>$44.9</td>
<td>$55.1</td>
</tr>
</tbody>
</table>

CAGR: 13%

AUMs per Branch

<table>
<thead>
<tr>
<th>Quarter</th>
<th>4Q'11</th>
<th>4Q'12</th>
<th>4Q'13</th>
<th>4Q'14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$28.9</td>
<td>$29.9</td>
<td>$34.4</td>
<td>$42.6</td>
</tr>
</tbody>
</table>

CAGR: 14%
### Adapting to Changing Customer Behaviors

#### Customer Behaviors are Changing…

(Citi customer interactions by channel, MM)

<table>
<thead>
<tr>
<th>Channel</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online / Mobile</td>
<td>539</td>
<td>562</td>
<td>598</td>
<td>627</td>
</tr>
<tr>
<td>Automated Call</td>
<td>36</td>
<td>32</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>ATM</td>
<td>150</td>
<td>155</td>
<td>154</td>
<td>148</td>
</tr>
<tr>
<td>Call Center</td>
<td>22</td>
<td>20</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Teller</td>
<td>90</td>
<td>80</td>
<td>77</td>
<td>74</td>
</tr>
</tbody>
</table>

**CAGR**

- **Online / Mobile**: 14%
- **Automated Call**: (7)%
- **ATM**: (1)%
- **Call Center**: (7)%
- **Teller**: (6)%

#### …with Digital Adoption Accelerating

<table>
<thead>
<tr>
<th>% Digitally Active (2)</th>
<th>Dec 2012</th>
<th>Dec 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-Statement Penetration</td>
<td>34%</td>
<td>48%</td>
</tr>
</tbody>
</table>

**Note:** Totals may not sum due to rounding.

(1) 2014 represents September 2014 year-to-date data annualized.

(2) Digitally active users defined as customers who login at least once in prior 30 days via full browser, app, mobile or tablet.
### Evolving Branch Operating Model

#### Reducing Real Estate Footprint

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Branches</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>722</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>707</td>
<td>(14%)</td>
</tr>
<tr>
<td>2014</td>
<td>624</td>
<td></td>
</tr>
</tbody>
</table>

Reducing Real Estate Footprint: (# Branches > 4,000 square feet)

#### Reducing Headcount

<table>
<thead>
<tr>
<th>Year</th>
<th>Headcount (Retail direct staff, 000s)</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>11.3</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>11.3</td>
<td>(13%)</td>
</tr>
<tr>
<td>2014</td>
<td>9.9</td>
<td></td>
</tr>
</tbody>
</table>

Reducing Headcount

#### Evolving to Multi-Format Hub & Spoke

- **Flagship**
- **Full Service**
- **Compact**
- **Mini**
- **ATM**

Adapting footprint to meet changing customer preferences
## Delivering an Omni-Channel Banking Experience

<table>
<thead>
<tr>
<th>Channel</th>
<th>Usage Today</th>
<th>Usage Tomorrow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branch</td>
<td>• Sales</td>
<td>• Acquiring and deepening relationships</td>
</tr>
<tr>
<td></td>
<td>• Problem resolution</td>
<td>• Digital education</td>
</tr>
<tr>
<td></td>
<td>• Routine transactions</td>
<td>• Complex transactions and problem resolution</td>
</tr>
<tr>
<td>Call Center</td>
<td>• Service and problem resolution</td>
<td>• Sales appointment setting</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Retention and cross-sell</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Complex service calls</td>
</tr>
<tr>
<td>ATM</td>
<td>• Deposits, withdrawals and inquiries</td>
<td>• Routine transactions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Custom cross-sell offers</td>
</tr>
<tr>
<td>Online</td>
<td>• High volume, low value transactions</td>
<td>• Account acquisition</td>
</tr>
<tr>
<td></td>
<td>• Basic chat</td>
<td>• Routine transactions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Personalized offers</td>
</tr>
<tr>
<td>Mobile</td>
<td>• Basic transfer and payments</td>
<td>• Routine transactions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Alerts and updates</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Location based offers</td>
</tr>
</tbody>
</table>
Using Technology to Support our Transformation

Implementing a common global platform to support multiple customer touchpoints

Customer Benefits
- Enhanced, consistent sales and service experience across all channels
- Simplified client-centric products and pricing with differentiated value propositions
- Leading-edge digital banking capability

Business Benefits
- Global platform across all business lines
- Improved efficiencies and economy of scale, plus financial benefits of retiring ~100 applications in U.S.
- Enhanced ability to serve customers across any segment, business or channel
- Simplified systems / reduced operational risk

Common global platform is a business transformation, not just a technology investment
Market Example: Miami

Miami Market

- Globally-connected market with attractive growth
- Commercial hub with diverse, affluent population
- Citi operates 51 branches, with the highest deposits per branch of any major bank

Ecosystem Development

- High impact marketing in “hot spots”
  - Pop-up locations
  - Key merchant partnerships
  - Digital and social media

- Evolving to hub & spoke distribution model
  - Anchoring distribution around key locations
  - Increasing touchpoints while reducing square footage per sales point

- Increasing smart branch penetration
  - Shifting to digitally-enabled branches, with plan to convert >85% of network

- Transforming sales and service experience
  - Digitally-enabled
  - Simpler account opening, improved servicing and more convenience
The Business We Are Building

- **Customer-centric franchise**: Premier U.S. bank with consistent revenue growth
- **Leveraging our globality**: Focus on top U.S. cities; Leveraging global investments to achieve scale
- **Strong risk management**: Predictable returns
- **Building a culture of execution**: High performance

Sustained Value Creation
Certain statements in this document are “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are based on management’s current expectations and are subject to uncertainty and changes in circumstances. These statements are not guarantees of future results or occurrences. Actual results and capital and other financial condition may differ materially from those included in these statements due to a variety of factors, including the precautionary statements included in this document and those contained in Citigroup’s filings with the U.S. Securities and Exchange Commission, including without limitation the “Risk Factors” section of Citigroup’s 2013 Form 10-K. Any forward-looking statements made by or on behalf of Citigroup speak only as to the date they are made, and Citi does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made.