

# Bank of America Merrill Lynch The Future of Financials Conference

November 16, 2016

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CEO, Institutional Clients Group



# Institutional Clients Group in Citicorp

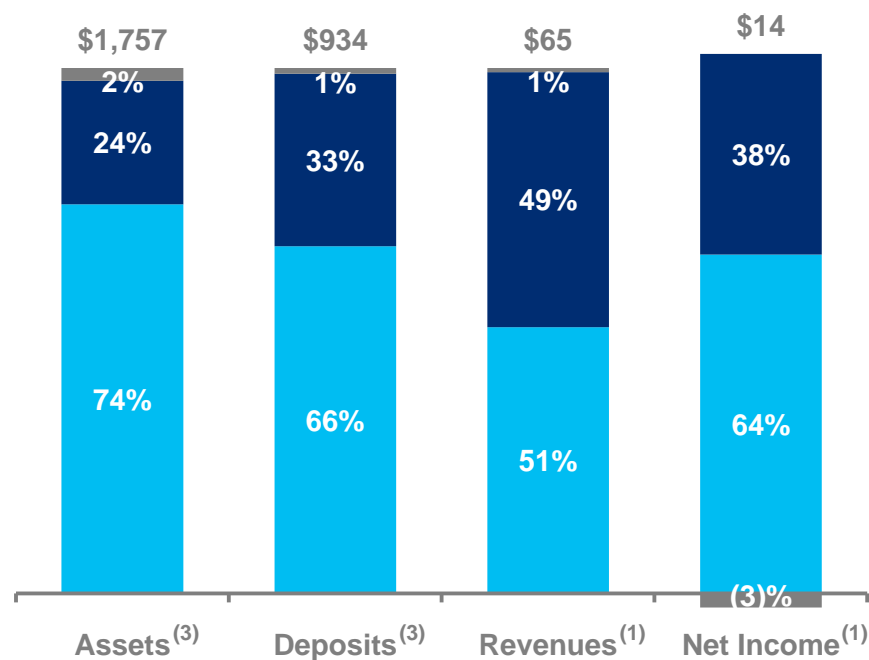
(\$B)

## A global franchise...

- \$33 billion of revenues<sup>(1)</sup>
- \$9 billion of net income<sup>(1)</sup>
- Largest proprietary global network with physical presence in 97 markets<sup>(2)</sup>
- Clearing / custody network in 62 markets<sup>(2)</sup>
- Facilitating ~\$3 trillion of flows daily
- Leading local markets franchise
- Year-to-date RoTCE of 12.4%

## ...with significant contributions to Citicorp

■ ICG   ■ GCB   ■ Corp / Other



Note: Totals may not sum due to rounding. GCB: Global Consumer Banking; ICG: Institutional Clients Group.

(1) Last twelve months adjusted results (excluding CVA / DVA in 4Q'15) ending September 30, 2016. Adjusted results as used throughout this presentation, are non-GAAP financial measures. For a reconciliation of the adjusted results to reported results, please refer to Slide 22.

(2) Includes countries and jurisdictions.

(3) As of September 30, 2016.

# Key Execution Priorities

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## Deepening Relationships with Target Clients

- Continuing to hone target client strategy
- Leveraging core operating relationships (e.g., TTS, Securities Services) as platform “backbone”
- Investing to support leading franchises and narrow wallet share gaps in certain products (e.g., Equities, Investment Banking)

## Leveraging Scale Advantages Across Global Network

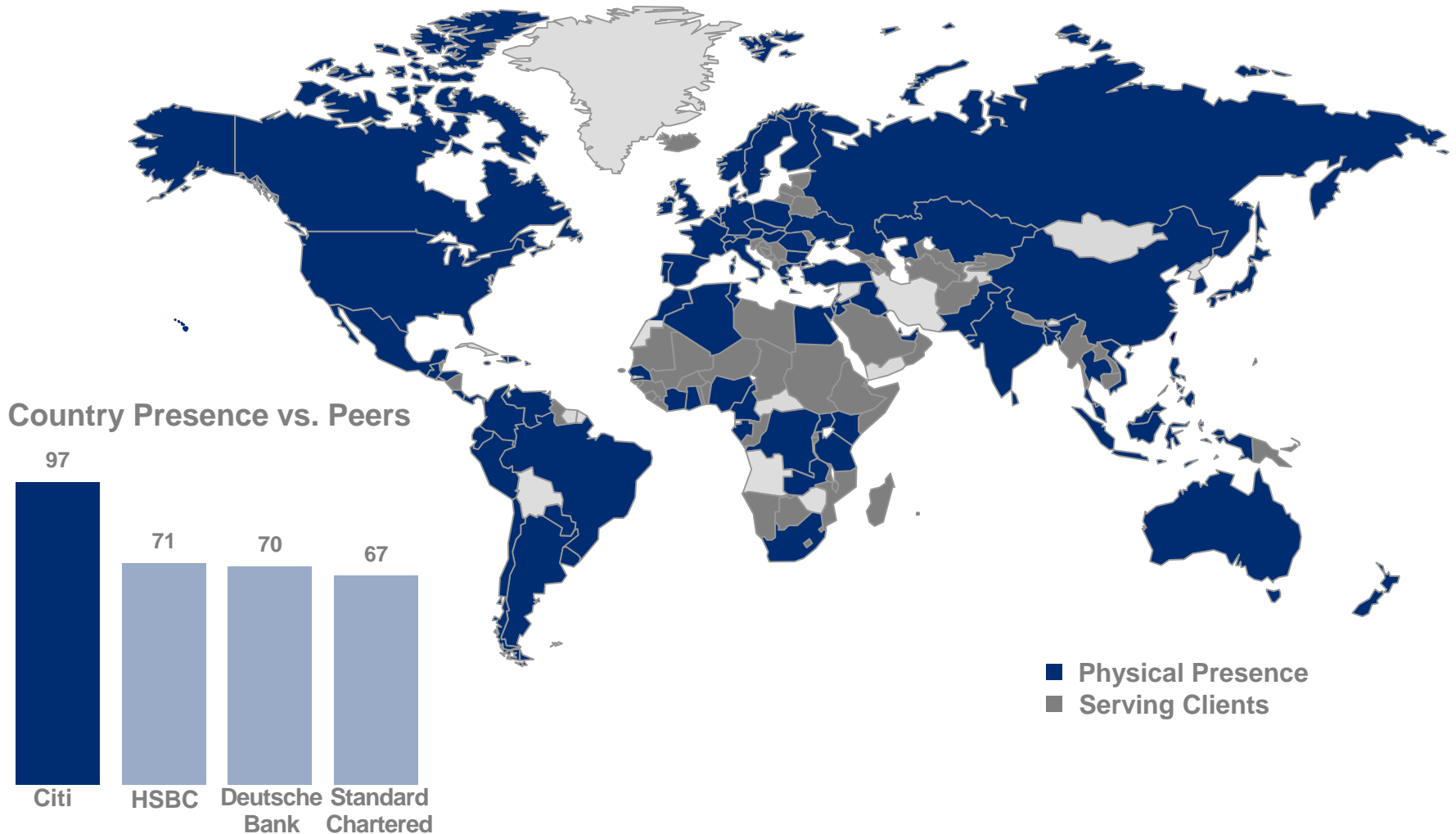
- Unique global network provides differentiated service to multinational corporate and investor clients
- Consolidating volumes as clients seek to streamline and optimize operating relationships
- Capturing adjacent revenue opportunities (e.g., Markets)

## Using Technology to Automate & Simplify Operations

- ICG infrastructure scaled appropriately to absorb additional volumes without significant incremental cost
- Seeking to automate and simplify processes for additional productivity savings
- Technology-driven solutions

**Well capitalized with unique global network and strong franchise**

# Unparalleled Global Network



Citi operates in 97 markets<sup>(1)</sup> and serves clients in > 160 markets

# Client-Led Strategy

Citi's target client is a sophisticated multinational corporation, public sector entity, financial institution or global investor with a significant wallet for financial products and services

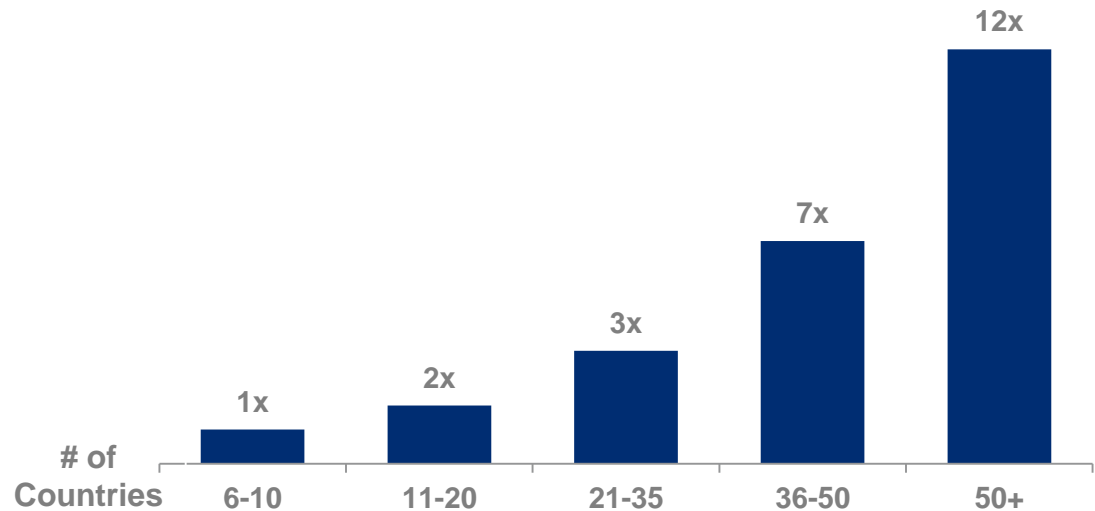
## Target Client Base

- Developed market multinationals expanding into EM
- Emerging market champions growing beyond their home market / region
- Financial institutions and global investors
- Public sector entities

## Network is a Competitive Advantage with Complex Clients

### Corporate Client Example (Marginal Contribution per Corporate Client)

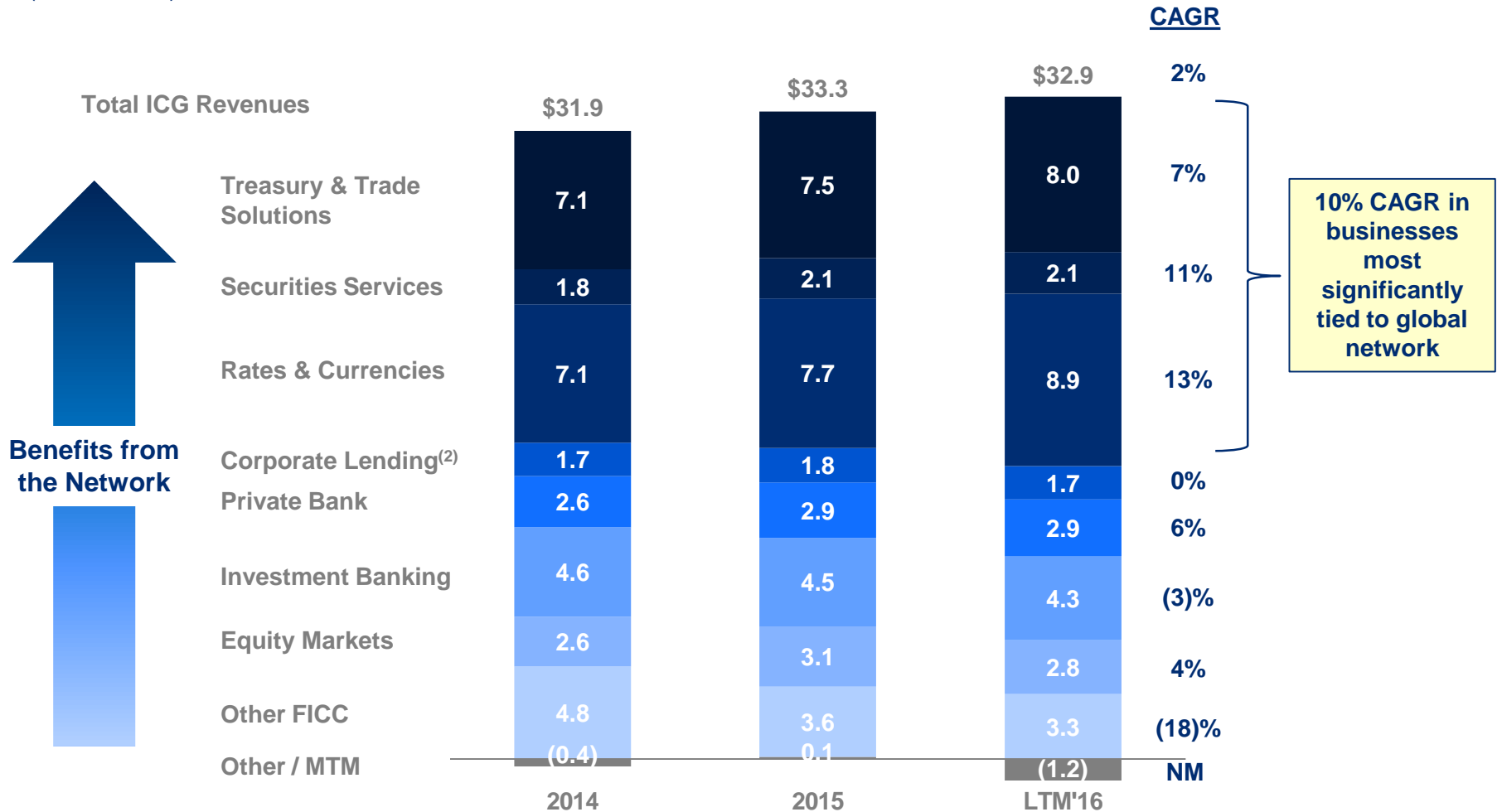
■ 2015 Average Revenues / Target Market Corporate Client



Coverage universe reduced from over 30,000 to ~14,000 target clients today

# Growth Driven by the Global Network<sup>(1)</sup>

(Constant \$B)



Note: Totals may not sum due to rounding. LTM'16: Last twelve months ending September 30, 2016. Constant dollar excludes the impact of foreign exchange translation into U.S. dollars for reporting purposes and is a non-GAAP financial measure. For a reconciliation of constant dollars to reported results, please refer to Slide 23.

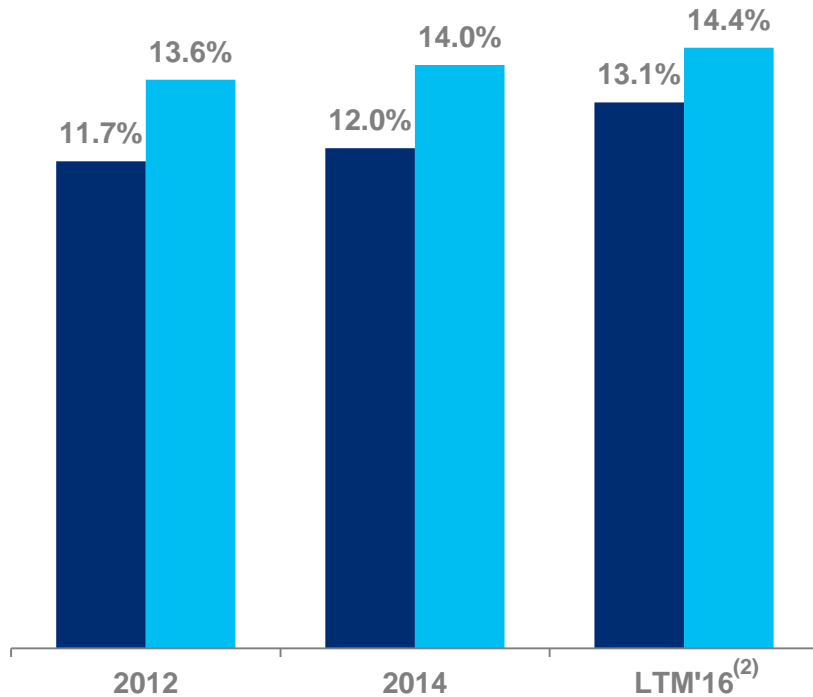
(1) Adjusted results exclude CVA / DVA in all periods prior to 1Q'16. Please refer to Slide 22 for a reconciliation of this information to reported results.

(2) Corporate Lending revenues exclude the impact of gains / (losses) on hedges related to accrual loans. Including this impact, the cumulative average growth rate for Corporate Lending would have been (21)%.

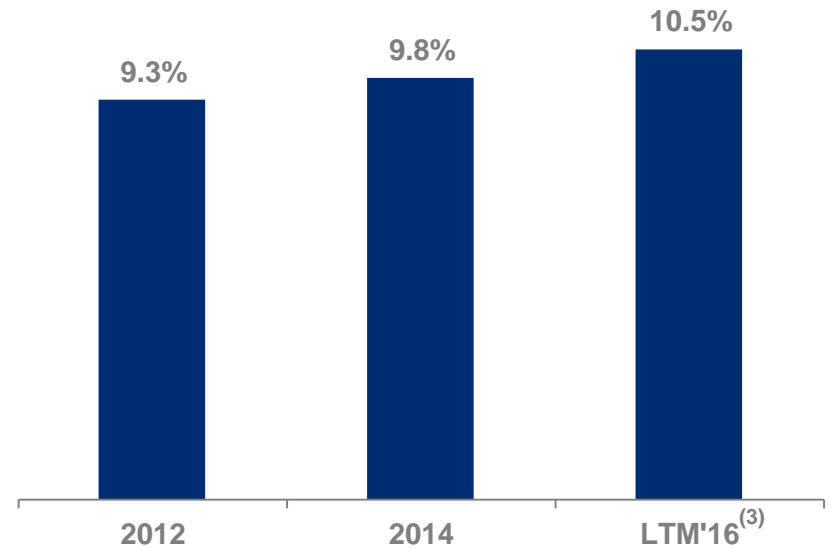
# Share Momentum in Network Driven Businesses

## Treasury and Trade Solutions

■ SWIFT   ■ Chips and Fedwire



## Fixed Income<sup>(1)</sup>



Note:  
 (1) Represents Citi's revenue as a percentage total industry revenue. Source: Coalition 2012 – 2016 LTM data as of June 30, 2016.  
 (2) Reflects last twelve months ending September 30, 2016.  
 (3) Reflects last twelve months ending June 30, 2016.

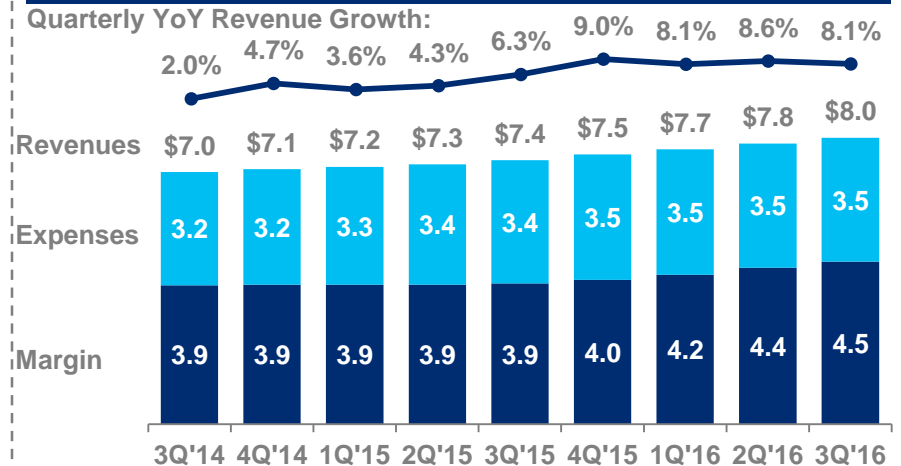
# Treasury and Trade Solutions

(Constant \$B)

## Execution Priorities

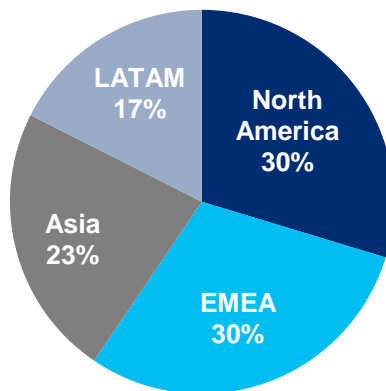
- Continue to invest in TTS operating relationships to provide integrated global solutions to target clients
- Extend leading digital capability while maintaining cost-efficiency advantage
- Continue to gain share of growing cash management and trade revenue pool
- Well-positioned for rising rate environment

## LTM Revenue and Operating Margin<sup>(1)</sup>



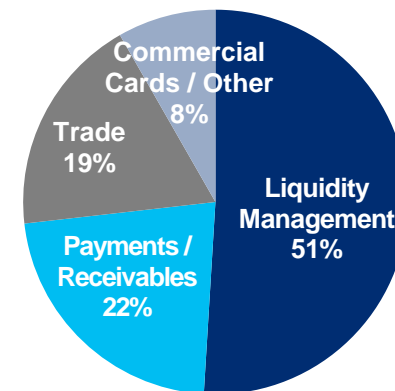
## Revenue Diversified by Geography...

(LTM'16)



## ...And by Product

(LTM'16)



Note: Totals may not sum due to rounding. LTM: Last twelve months. Constant dollar excludes the impact of foreign exchange translation into U.S. dollars for reporting purposes. For a reconciliation of constant dollars to reported results, please refer to Slide 23.

(1) Excludes the net fraud loss in Mexico of \$360MM in 4Q'13.



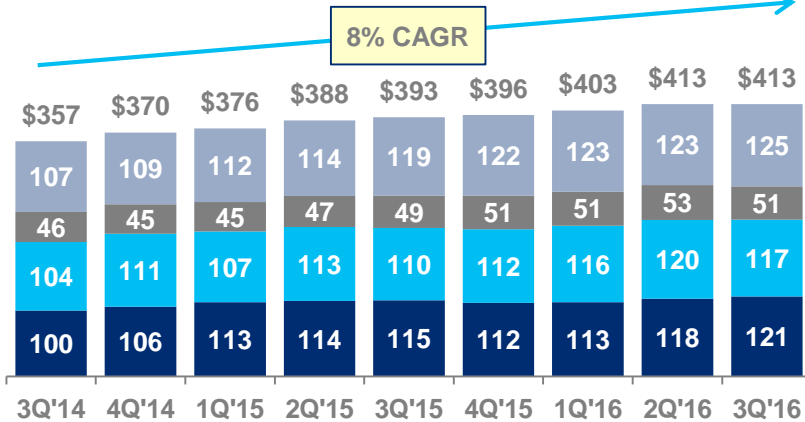
# Treasury and Trade Solutions

(Constant \$B)

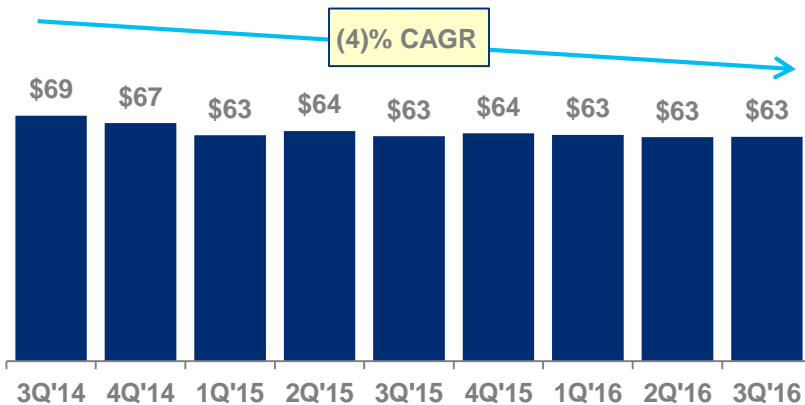
## Growing, Diversified Deposit Base

(Avg)

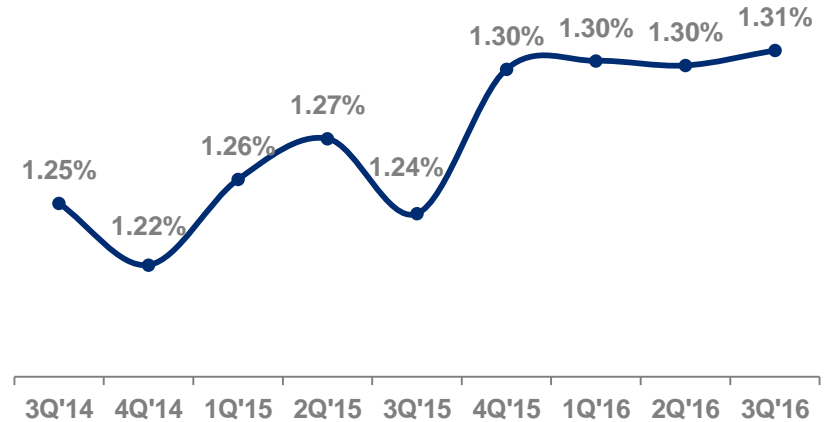
■ North America ■ EMEA ■ Latam ■ Asia



## Average Trade Loans

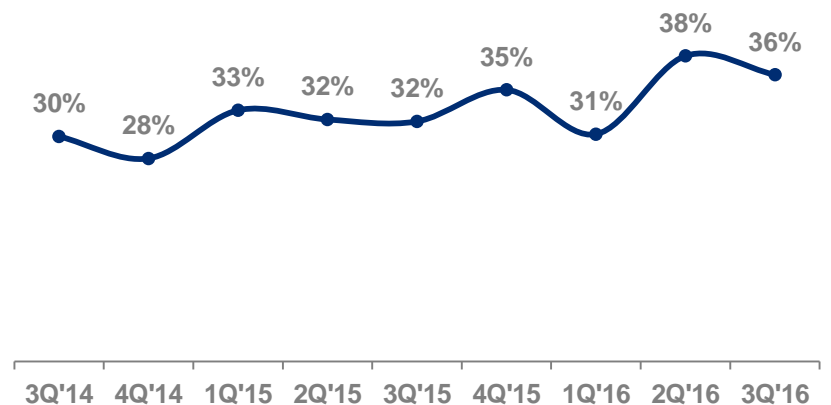


## Net Interest Spreads



## Asset Sales Trends

Sales / Originations



# Fixed Income Markets<sup>(1)</sup>

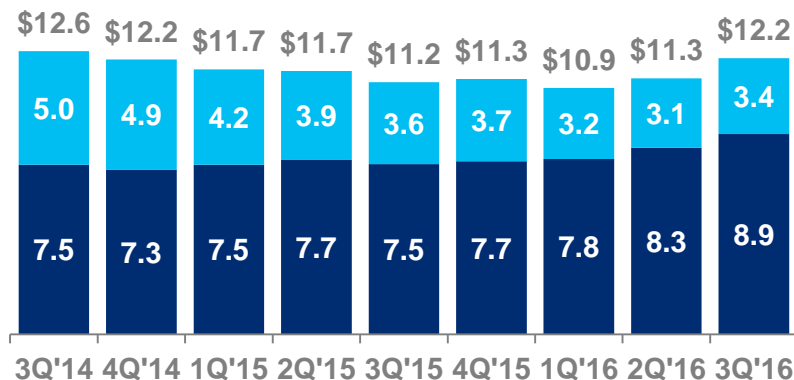
(\$B)

## Execution Priorities

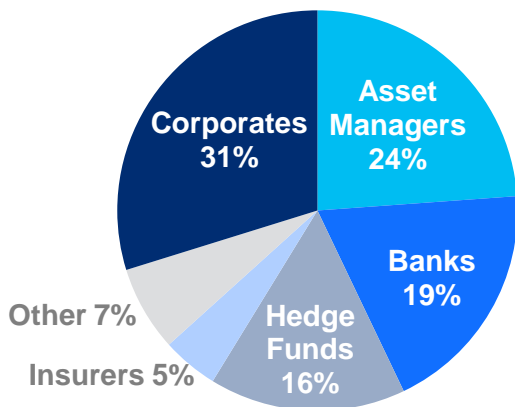
- Leverage Citi's unparalleled global footprint and significant scale to support clients around the world
- Continue to capture revenues from adjacent businesses (e.g., TTS and Investment Banking)
- Invest to improve efficiency of middle / back-office infrastructure and client facilitation
- Continue to optimize balance sheet and capital usage

## Growing Rates & Currencies Franchise

(LTM Revenues) ■ Rates & Currencies ■ Other FICC<sup>(2)</sup>

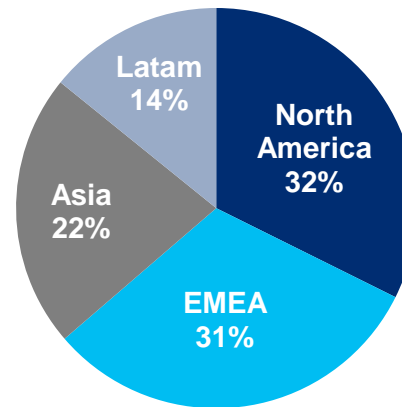


## Revenues Diversified by Client Type<sup>(3)</sup>...



## ...And by Region

(LTM'16)



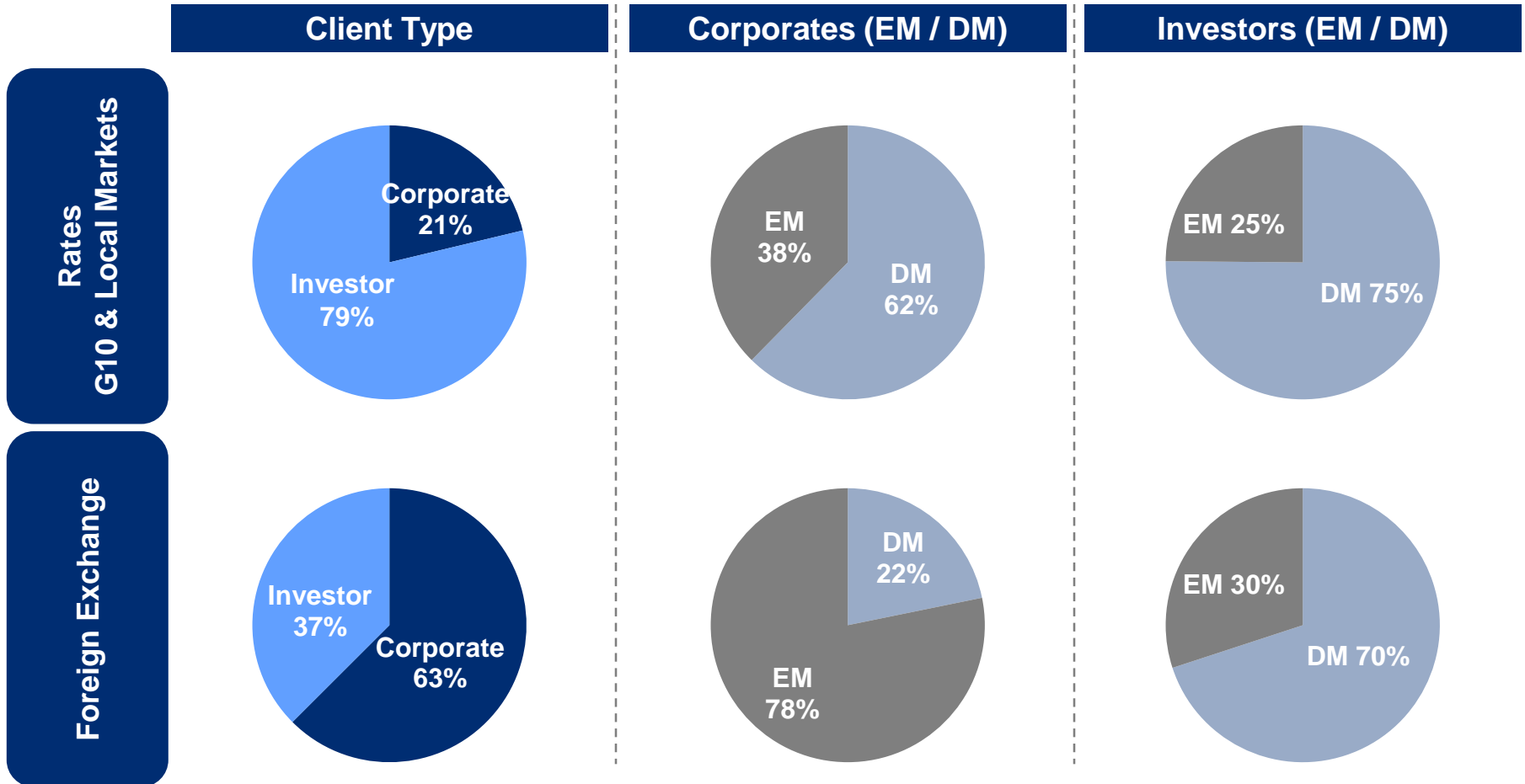
Note: Totals may not sum due to rounding. LTM: Last twelve months.

(1) Adjusted results exclude, as applicable, CVA / DVA in all periods prior to 1Q'16.

(2) Includes spread products, commodities, and other fixed income.

(3) Illustrative revenue contribution, based on average quarterly client revenues for the past three years (4Q'13-3Q'16). Client revenues defined as those revenues directly attributable to a client transaction at the time of inception.

# Significant Rates & Currencies Franchise<sup>(1)</sup>



Over 40% of total client revenues in Rates & Currencies driven by corporate clients

11 Note: Totals may not sum due to rounding. DM: Developed Markets. EM: Emerging Markets.

(1) Reflects year-to-date 2016 client revenues, defined as those revenues directly attributable to a client transaction at the time of inception.

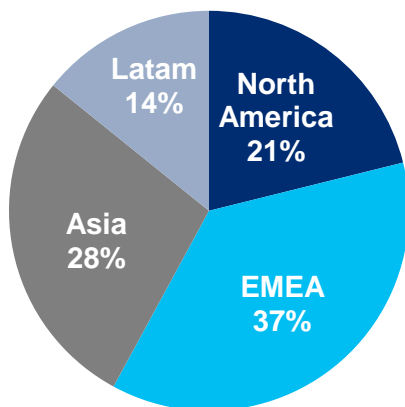
# Securities Services

## Execution Priorities

- Continue to leverage global network to win mandates with target market clients, following completion of business rationalization in 2015
  - Largest direct custody network
  - Top 5 global custody provider
- Continue to improve operational efficiency
- Capture adjacent Markets revenues

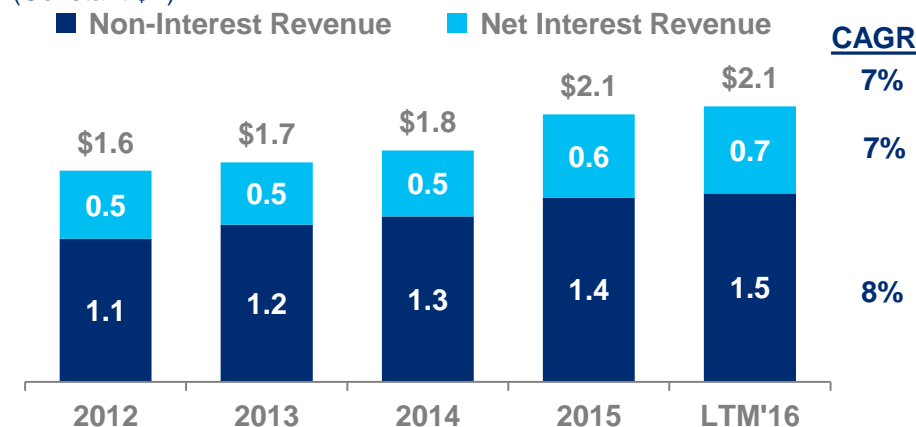
## Regional Revenue Breakdown

(LTM'16)



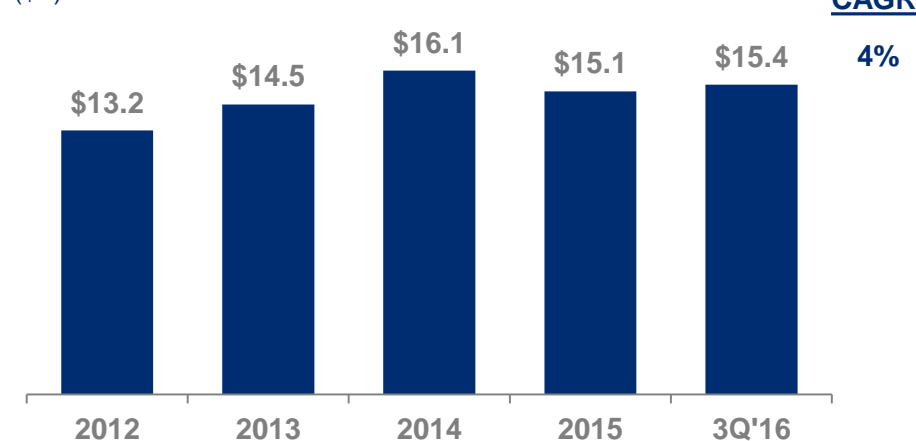
## Revenue Trends

(Constant \$B)



## Assets Under Custody<sup>(1)</sup>

(\$T)



Note: Totals may not sum due to rounding. LTM'16: Last twelve months ending September 30, 2016. Constant dollar excludes the impact of foreign exchange translation into U.S. dollars for reporting purposes. For a reconciliation of constant dollars to reported results, please refer to Slide 23.

(1) Includes Securities Services and Issuer Services.

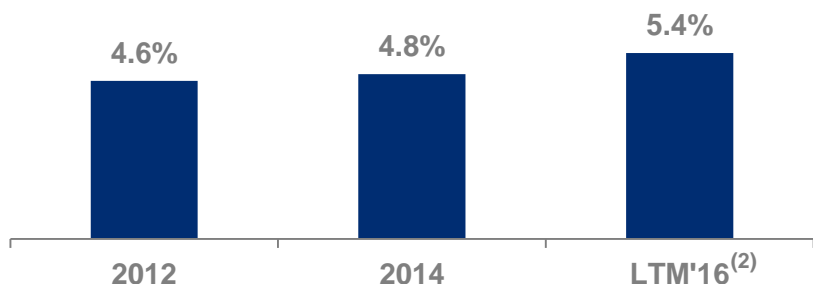
# Equity Markets<sup>(1)</sup>

(\$B)

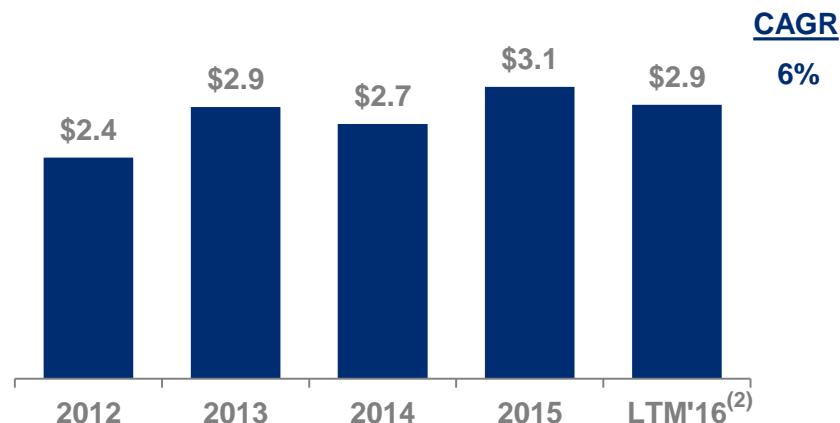
## Execution Priorities

- Continue to invest in people, technology and balance sheet to drive stability and growth
  - Improve execution capabilities
  - Bolster product suite
  - Continue to improve research offering
- Demonstrate progress towards intermediate goal of #5 / #6 wallet share ranking over time
  - Est. \$200-250MM / quarter revenue opportunity

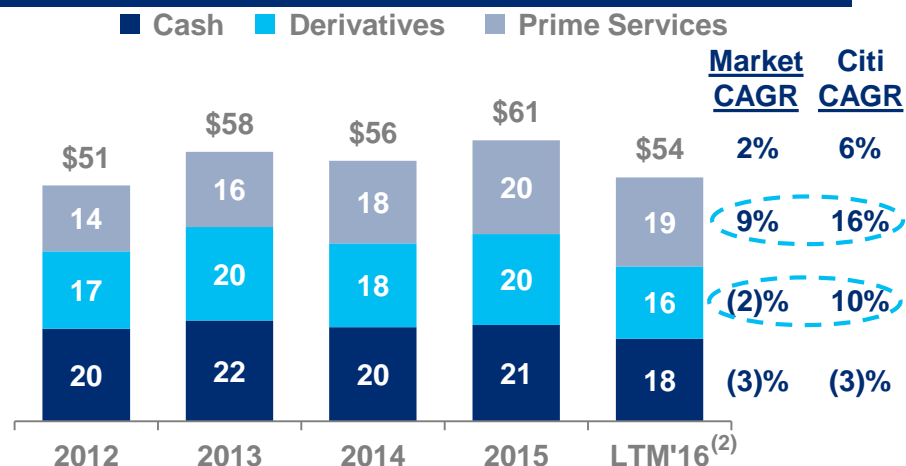
## Share Momentum



## Revenue Trends



## Industry Revenue Pool<sup>(3)</sup>



Note: Totals may not sum due to rounding.

(1) Adjusted results exclude, as applicable, CVA / DVA in all periods prior to 1Q'16.

(2) Reflects last twelve months ended June 30, 2016 in order to provide comparability to available industry revenue and share data. LTM'16 Citi revenue excludes the reversal of the valuation adjustment in 2H'15.

(3) Source: Coalition.



# Private Bank<sup>(1)</sup>

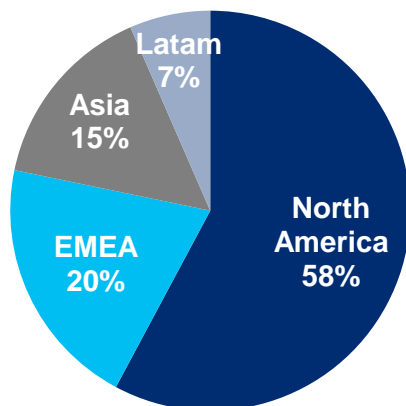
(\$B)

## Execution Priorities

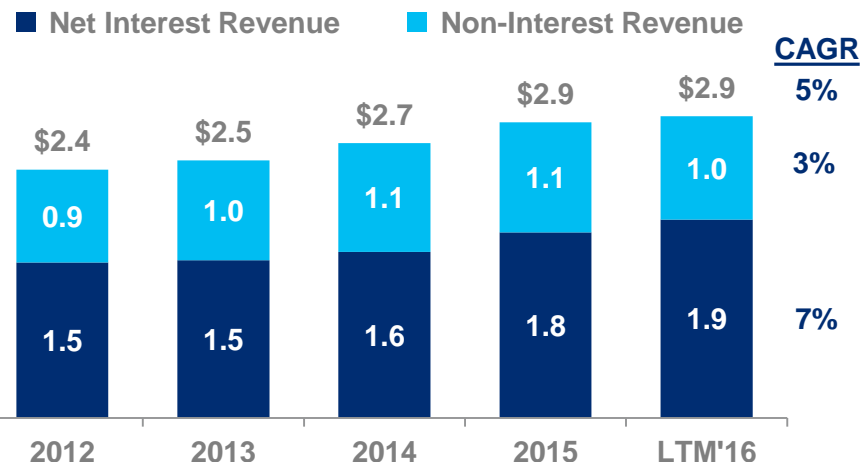
- Efficiently allocate resources, with focus on ultra high net worth client segment globally
  - \$25MM+ net worth, \$5MM+ of investable assets
- Continue to build wealth management / capital markets to augment strength in banking / lending
- Capture synergies / cross-referrals with other ICG businesses (e.g., Investment Banking and Markets)
- Selectively hire in markets where target client base supports additional investment

## Revenue Diversified by Region...

(LTM'16)

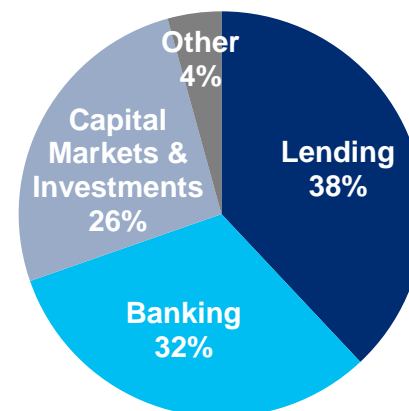


## Revenue Trends



## ...And Product

(LTM'16)



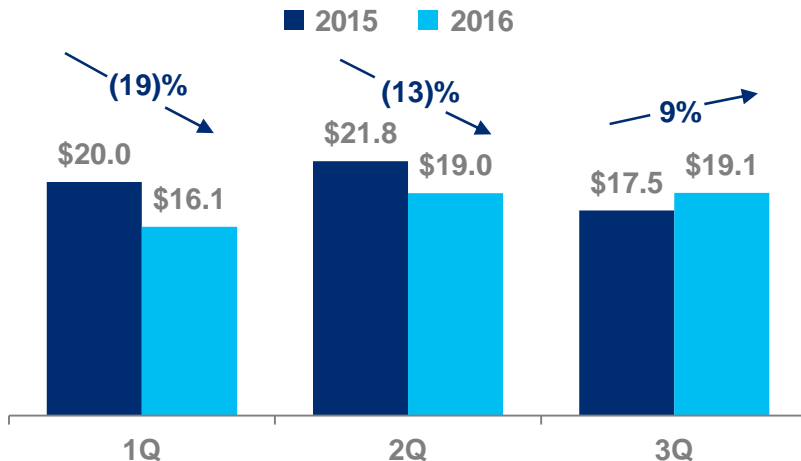
# Investment Banking

(\$B)

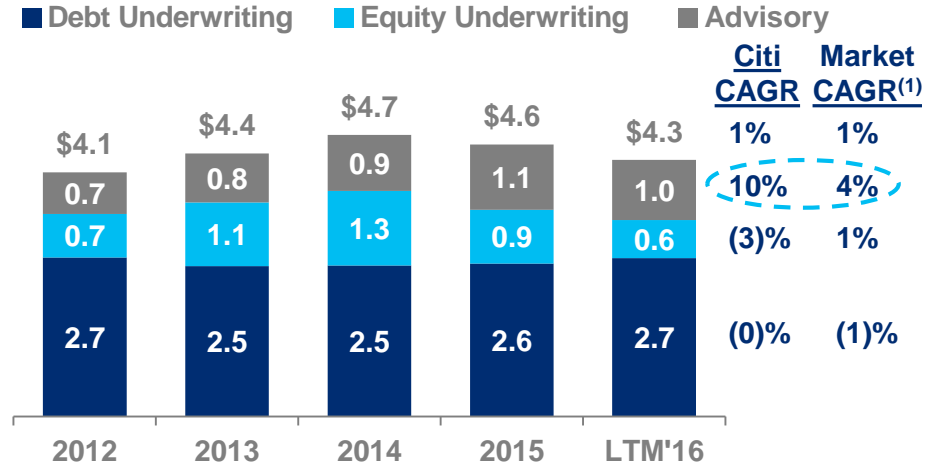
## Execution Priorities

- Drive revenue growth with target market clients as market wallet recovers from slow start to 2016
- Maintain leadership in DCM while growing ECM and M&A
- Execute on recent momentum in underwriting activity and announced M&A transactions
- Selectively invest to capitalize on opportunities within target market

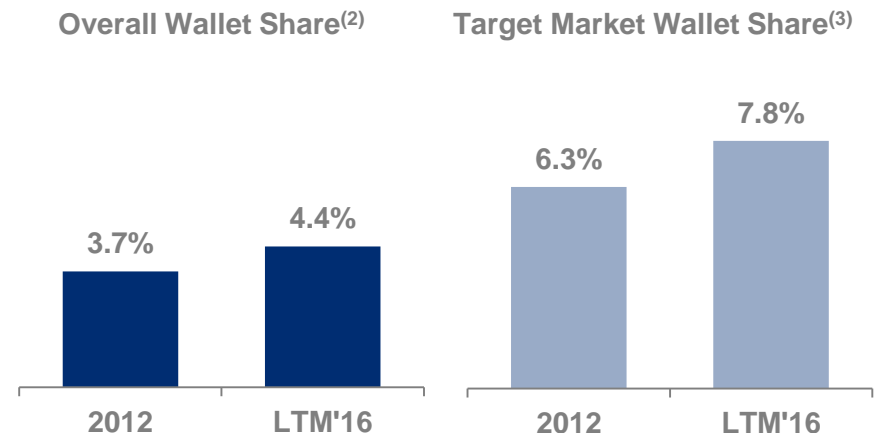
## YoY Market Wallet Trend<sup>(1)</sup>



## Revenue Trends



## Growth in M&A



Note: Totals may not sum due to rounding. LTM'16: Last twelve months ended September 30, 2016.

(1) Market wallet for total industry. Source: Dealogic 2012 - 2016 LTM and quarterly data through September 30, 2016 as of October 31, 2016.

(2) Citi wallet share of advisory fee pool for total industry. Source: Dealogic 2012 - 2016 LTM data through September 30, 2016 as of October 31, 2016.

(3) Target market wallet represents Citi's wallet share with the clients in its coverage universe. Source: Dealogic 2016 LTM data through September 30, 2016 as of October 31, 2016.



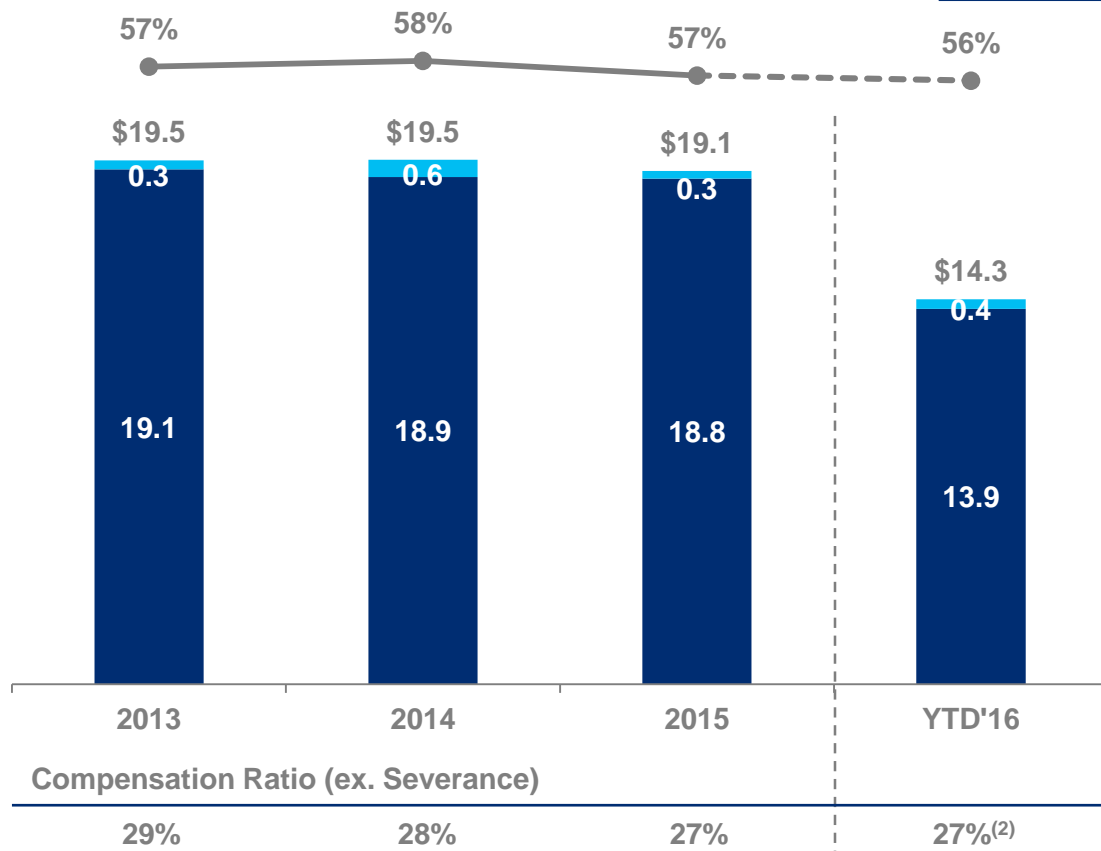
# Demonstrated Expense Discipline<sup>(1)</sup>

(\$B)

## ICG Expenses & Efficiency Ratio

■ Core Expenses    ■ Legal & Repositioning

**Target:**  
53-57%



## Efficiency Improvements

- Reduced core expenses on LTM basis<sup>(2)</sup> by ~\$400 million since 2013
- ICG infrastructure scaled appropriately to absorb additional volumes without significant incremental cost
- Additional productivity gains through automation and simplification of processes
- Technology-driven solutions

Note: Totals may not sum due to rounding.

(1) Adjusted results, which exclude CVA / DVA in all periods prior to 1Q'16 and the net fraud loss in Mexico in 4Q'13. Please refer to Slide 22 for a reconciliation of this information to reported results.

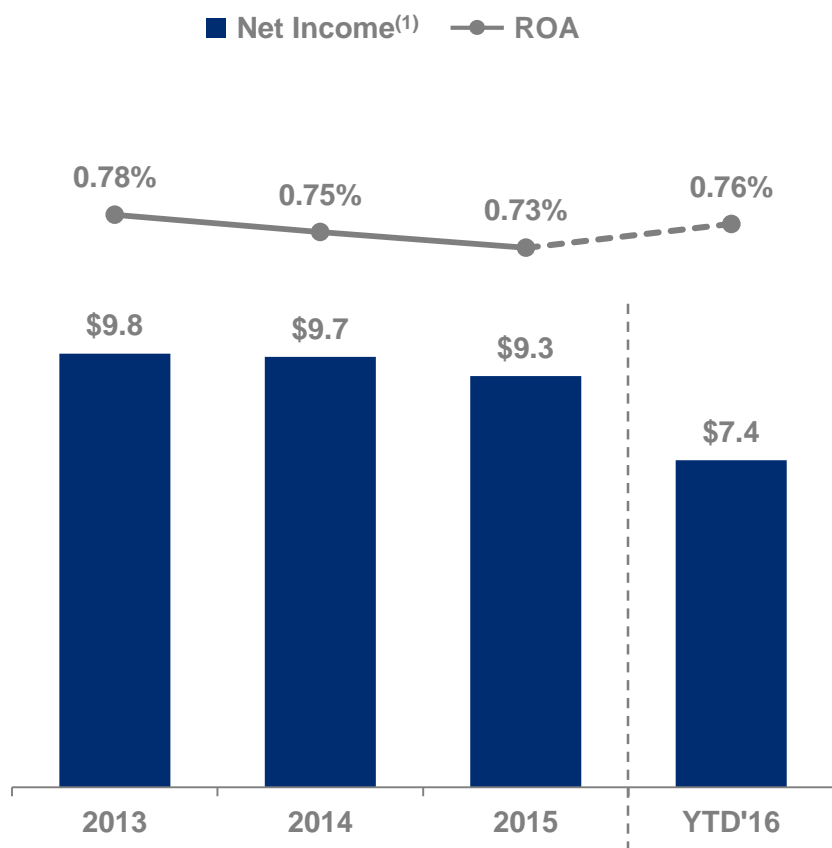
(2) Represents last twelve months ending September 30, 2016.



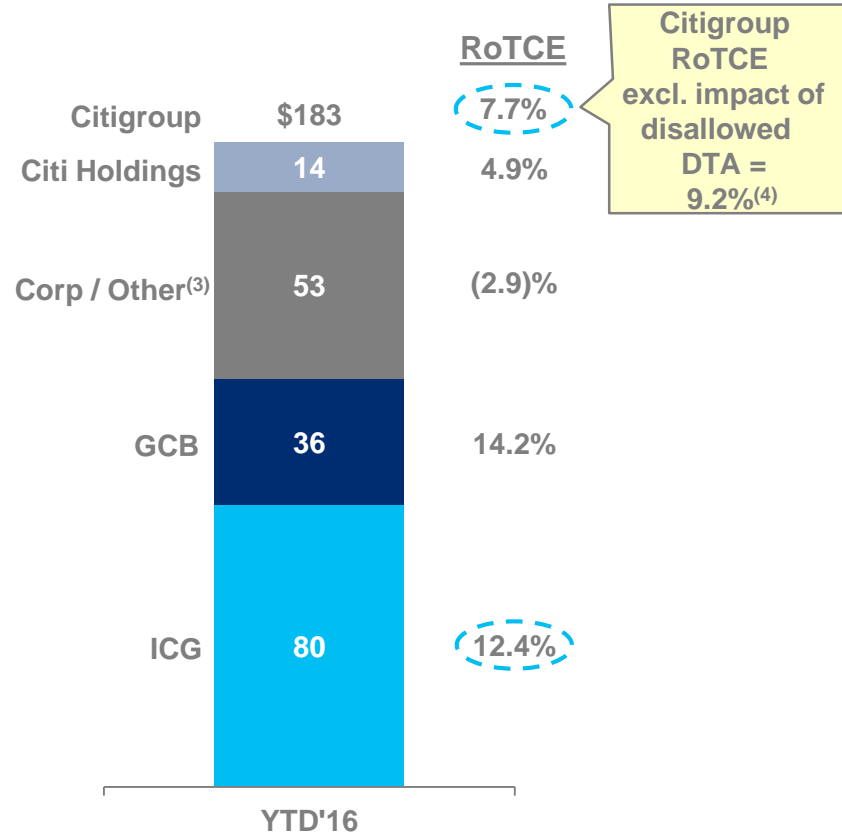
# Return on Assets and Allocated TCE

(\$B)

## ICG Net Income & Return on Assets



## Return on Average Allocated TCE<sup>(2)</sup>



Note: Totals may not sum due to rounding.

- (1) Net Income adjusted to exclude CVA / DVA in all periods prior to 1Q'16 and net fraud loss in Mexico in 4Q'13. For a reconciliation of the adjusted results to the reported results, please refer to Slide 22.
- (2) Tangible common equity allocated to GCB, ICG and Citi Holdings based on estimated full year 2016 capital allocations. Tangible common equity is a non-GAAP financial measure. For a reconciliation of this metric to the most directly comparable GAAP measure, please refer to Slide 21.
- (3) Based on net income to common, net of \$757 million of preferred dividends.
- (4) Average TCE supporting disallowed DTA for YTD'16 equaled approximately \$29B.

# Key Takeaways

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## **Institutional franchise with unparalleled global reach and diversification**

- Revenue base diversified by client, product and geography
- Global network difficult for peers to replicate in today's environment

## **Deepening relationships with target clients**

- Core operating relationships as foundation for growth
- Investing to support leading franchises and grow wallet share

## **Leveraging scale advantages across global network**

- Delivering power of global network on behalf of clients

## **Using technology to automate and simplify operations**

- Scaled appropriately to absorb additional volumes without significant incremental cost
- Driving efficiencies to create further capacity for investment

## **Positioned to deliver attractive, sustainable returns over time**

Certain statements in this presentation 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 presentation 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 2015 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.



# TCE Reconciliation

(\$MM, except per share amounts)

## Tangible Common Equity and Tangible Book Value Per Share

	3Q'16	2Q'16	1Q'16	4Q'15	3Q'15
<b>Total Citigroup Stockholders' Equity</b>	<b>\$231,575</b>	<b>\$231,888</b>	<b>\$227,522</b>	<b>\$221,857</b>	<b>\$220,848</b>
Less: Preferred Stock	19,253	19,253	17,753	16,718	15,218
<b>Common Equity</b>	<b>\$212,322</b>	<b>\$212,635</b>	<b>\$209,769</b>	<b>\$205,139</b>	<b>\$205,630</b>
Less:					
Goodwill	22,539	22,496	22,575	22,349	22,444
Intangible Assets (other than Mortgage Servicing Rights)	5,358	5,521	3,493	3,721	3,880
Goodwill and Intangible Assets (other than Mortgage Servicing Rights) Related to Assets Held-for-Sale	30	30	30	68	345
<b>Tangible Common Equity (TCE)</b>	<b>\$184,395</b>	<b>\$184,588</b>	<b>\$183,671</b>	<b>\$179,001</b>	<b>\$178,961</b>
Common Shares Outstanding (CSO)	2,850	2,905	2,935	2,953	2,979
<b>Tangible Book Value Per Share (TCE / CSO)</b>	<b>\$64.71</b>	<b>\$63.53</b>	<b>\$62.58</b>	<b>\$60.61</b>	<b>\$60.07</b>

# Adjusted Results Reconciliation

(\$MM)

<b>Institutional Clients Group</b>	<b>LTM'16</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Reported Revenues	\$32,819	\$33,991	\$33,312	\$33,580
Impact of CVA/DVA	(186)	269	(343)	(345)
<b>Adjusted Revenues</b>	<b>\$33,005</b>	<b>\$33,722</b>	<b>\$33,655</b>	<b>\$33,925</b>
Reported Expenses	\$19,174	\$19,074	\$19,491	\$19,824
Impact of Net Fraud Loss	-	-	-	(360)
<b>Adjusted Expenses</b>	<b>\$19,174</b>	<b>\$19,074</b>	<b>\$19,491</b>	<b>\$19,464</b>
<b>Adjusted Efficiency Ratio</b>	<b>58.1%</b>	<b>56.6%</b>	<b>57.9%</b>	<b>57.4%</b>
Reported Net Income	\$8,655	\$9,478	\$9,524	\$9,364
Impact of:				
CVA/DVA	(117)	172	(211)	(214)
Net Fraud Loss	-	-	-	(235)
<b>Adjusted Net Income</b>	<b>\$8,772</b>	<b>\$9,306</b>	<b>\$9,735</b>	<b>\$9,813</b>
Average Assets	\$1,284	\$1,271	\$1,292	\$1,263
Return on Assets	0.68%	0.73%	0.75%	0.78%
<b>Citicorp</b>	<b>LTM'16</b>			
Reported Revenues	\$64,959			
Impact of CVA/DVA	(186)			
<b>Adjusted Net Income</b>	<b>\$65,145</b>			
Reported Net Income	\$13,491			
Impact of CVA/DVA	(117)			
<b>Adjusted Net Income</b>	<b>\$13,608</b>			

# FX Impact Reconciliation

(\$MM, except balance sheet items in \$B)

<b>Treasury &amp; Trade Solutions</b>	<b>3Q'16</b>	<b>2Q'16</b>	<b>1Q'16</b>	<b>4Q'15</b>	<b>3Q'15</b>	<b>2Q'15</b>	<b>1Q'15</b>	<b>4Q'14</b>	<b>3Q'14</b>
Reported LTM Revenues	\$8,030	\$7,924	\$7,831	\$7,770	\$7,711	\$7,712	\$7,738	\$7,770	\$7,755
Impact of FX Translation	(39)	(86)	(155)	(240)	(343)	(455)	(558)	(653)	(719)
<b>LTM Revenues in Constant Dollars</b>	<b>\$7,991</b>	<b>\$7,838</b>	<b>\$7,676</b>	<b>\$7,530</b>	<b>\$7,368</b>	<b>\$7,257</b>	<b>\$7,180</b>	<b>\$7,117</b>	<b>\$7,036</b>
<b>Treasury &amp; Trade Solutions - EMEA</b>	<b>3Q'16</b>	<b>2Q'16</b>	<b>1Q'16</b>	<b>4Q'15</b>	<b>3Q'15</b>	<b>2Q'15</b>	<b>1Q'15</b>	<b>4Q'14</b>	<b>3Q'14</b>
Reported Average Deposits	\$117	\$121	\$116	\$112	\$112	\$115	\$110	\$119	\$115
Impact of FX Translation	-	(1)	0	(1)	(2)	(3)	(3)	(8)	(12)
<b>Average Deposits in Constant Dollars</b>	<b>\$117</b>	<b>\$120</b>	<b>\$116</b>	<b>\$112</b>	<b>\$110</b>	<b>\$113</b>	<b>\$107</b>	<b>\$111</b>	<b>\$104</b>
<b>Treasury &amp; Trade Solutions - Asia</b>	<b>3Q'16</b>	<b>2Q'16</b>	<b>1Q'16</b>	<b>4Q'15</b>	<b>3Q'15</b>	<b>2Q'15</b>	<b>1Q'15</b>	<b>4Q'14</b>	<b>3Q'14</b>
Reported Average Deposits	\$125	\$122	\$121	\$120	\$117	\$115	\$113	\$111	\$112
Impact of FX Translation	-	1	2	2	2	(0)	(1)	(2)	(5)
<b>Average Deposits in Constant Dollars</b>	<b>\$125</b>	<b>\$123</b>	<b>\$123</b>	<b>\$122</b>	<b>\$119</b>	<b>\$114</b>	<b>\$112</b>	<b>\$109</b>	<b>\$107</b>
<b>Treasury &amp; Trade Solutions - Latam</b>	<b>3Q'16</b>	<b>2Q'16</b>	<b>1Q'16</b>	<b>4Q'15</b>	<b>3Q'15</b>	<b>2Q'15</b>	<b>1Q'15</b>	<b>4Q'14</b>	<b>3Q'14</b>
Reported Average Deposits	\$51	\$53	\$51	\$52	\$51	\$49	\$47	\$48	\$49
Impact of FX Translation	-	0	(0)	(1)	(1)	(2)	(2)	(3)	(3)
<b>Average Deposits in Constant Dollars</b>	<b>\$51</b>	<b>\$53</b>	<b>\$51</b>	<b>\$51</b>	<b>\$49</b>	<b>\$47</b>	<b>\$45</b>	<b>\$45</b>	<b>\$46</b>
<b>Securities Services</b>	<b>LTM'16</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>					
Reported Revenues	\$2,146	\$2,143	\$2,050	\$1,978					
Impact of FX Translation	(9)	(68)	(257)	(275)					
<b>Reported Revenues in Constant Dollars</b>	<b>\$2,137</b>	<b>\$2,075</b>	<b>\$1,793</b>	<b>\$1,703</b>					