



## **First Quarter 2000 Earnings Review**

**April 17, 2000**

# ***First Quarter Highlights***

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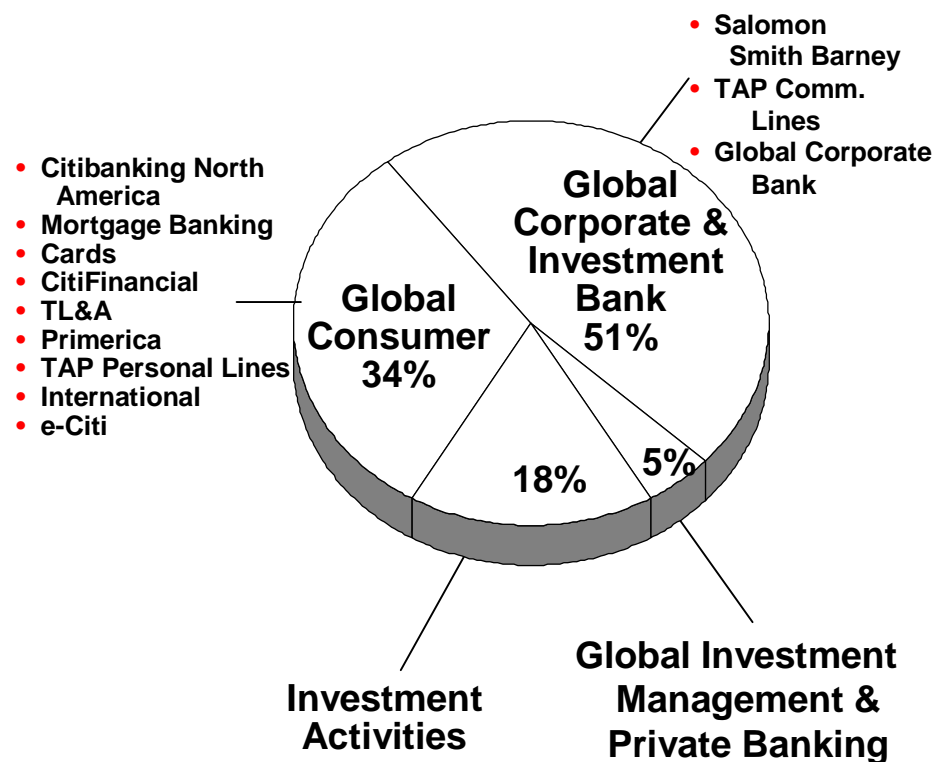
## **\$3.6B Core Earnings**

- ✓ **Record earnings for each major business segment**
- ✓ **Core diluted EPS of \$1.04, up 51%**
- ✓ **19% revenue growth outpacing 11% expense growth**
- ✓ **ROE of 30%, vs. 24% 1Q99**
- ✓ **Across the board growth**
- ✓ **Strong Investment Activities performance**
- ✓ **Continued franchise expansion through strategic acquisitions and alliances**

# Earnings Diversity

## First Quarter 2000 Core Income

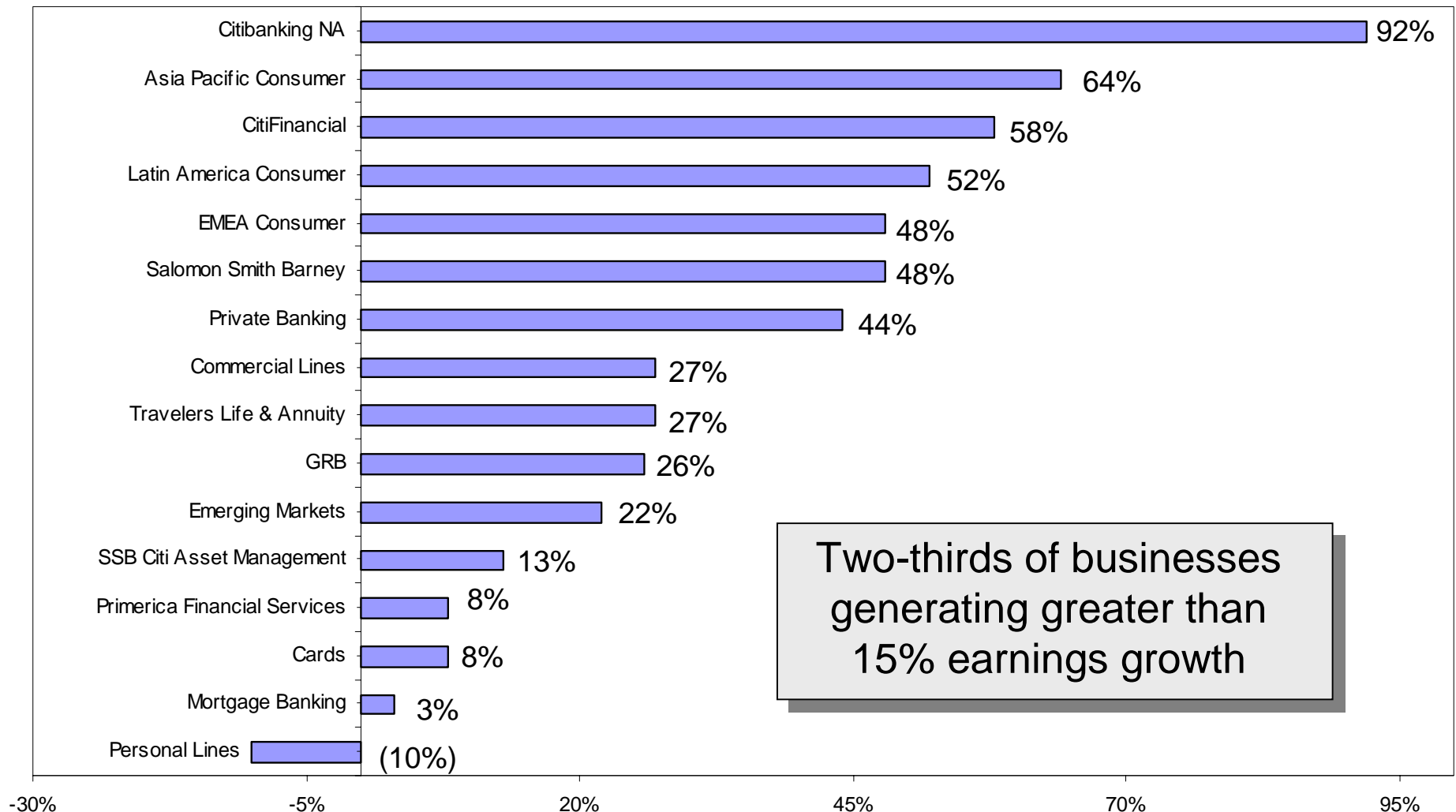
(\$ in Millions)	<u>1Q00</u>	<u>1Q99</u>	<u>% Change</u>
Global Consumer	\$ 1,207	\$ 981	23%
Global Corporate & Investment Bank	1,840	1,357	36%
Global Investment Mgmt. & Private Banking	172	137	26%
Corporate/Other	(251)	(150)	(67%)
Investment Activities	<u>634</u>	<u>90</u>	nm
<b>Core Income</b>	<b><u>\$ 3,602</u></b>	<b><u>\$ 2,415</u></b>	<b>49%</b>
Diluted EPS	\$ 1.04	\$ .69	51%



Note: Excluding Corporate/Other

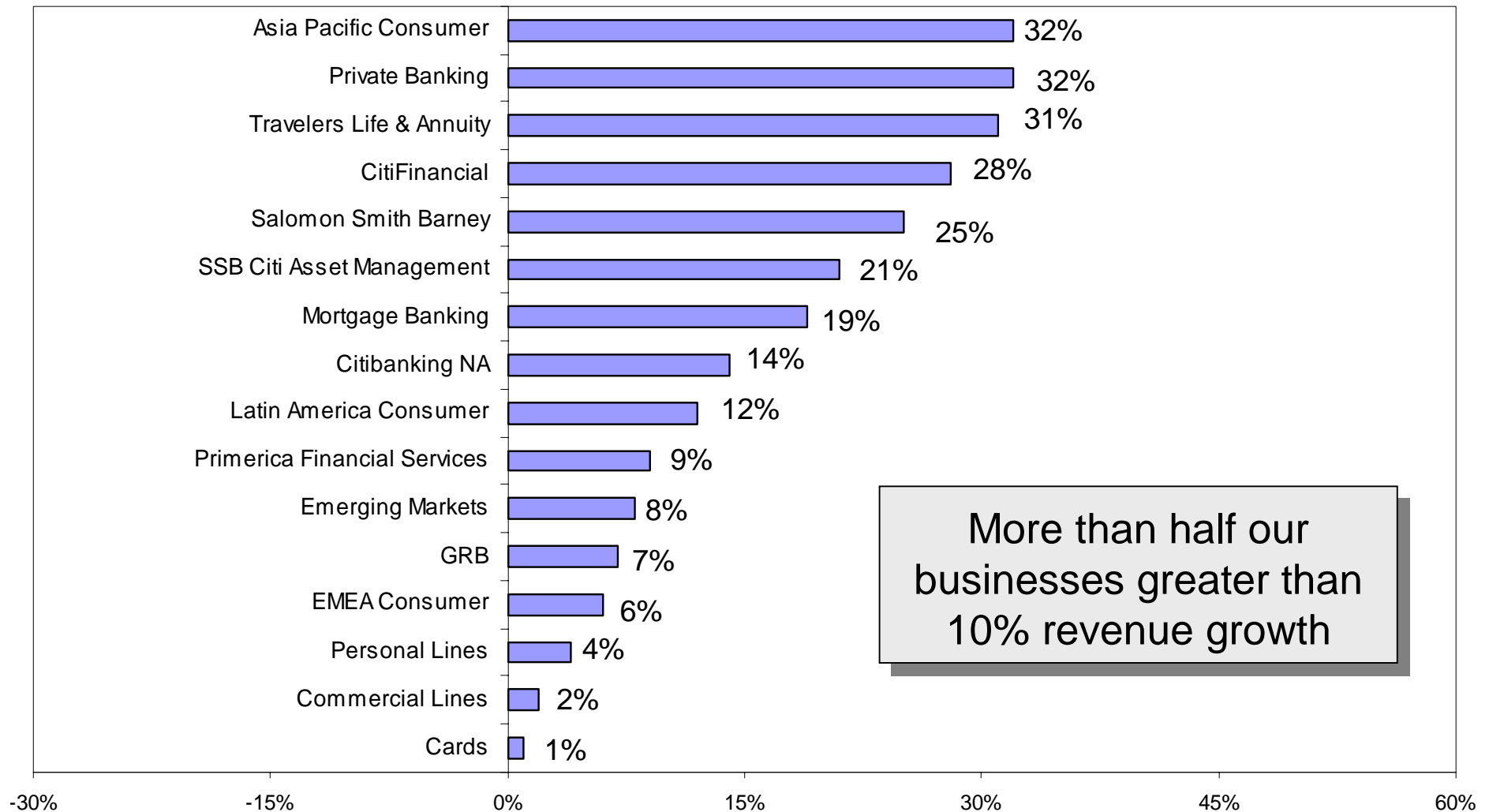
# Across the Board Earnings Growth

## Core Income First Quarter 2000 (Year-over-Year %)



# Across the Board Revenue Momentum

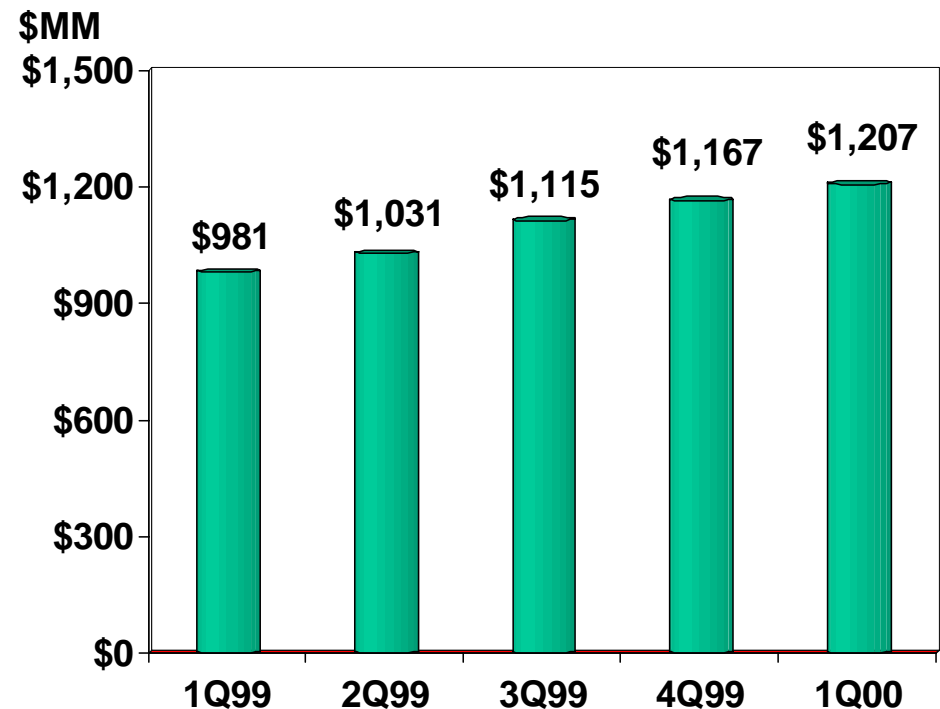
## (Year-over-Year %)



# Global Consumer

**Core Income Up 23%**

- 12% revenue growth
- Stable credit quality
- Increasing U.S. branch productivity
- Cards income affected by margin compression
- **TAP Personal Lines down 10%**
  - Higher catastrophe losses
  - NWP up 7% excluding unusual items
- **International acceleration**
  - Investment products growth globally
  - Cards expansion
- **Expanding the sale of products across multiple distribution channels**



# ***Global Corporate and Investment Bank***

***Core Income Up 36%***

- **Record revenues at SSB**
  - Commissions up 45%
  - Investment Banking up 38%
  - Principal Transactions down 12%
- **Record retail production**
  - \$598,000 per FC
  - Total client assets exceed \$1 trillion
- **Continued efficiency improvements in Global Corporate Bank**
- **#1 Derivatives Dealer - *II Magazine***
- **Best Emerging Markets Bank - *Global Finance Magazine***
- **Commercial Lines pricing improvement**
- **Increased stake in Nikko**

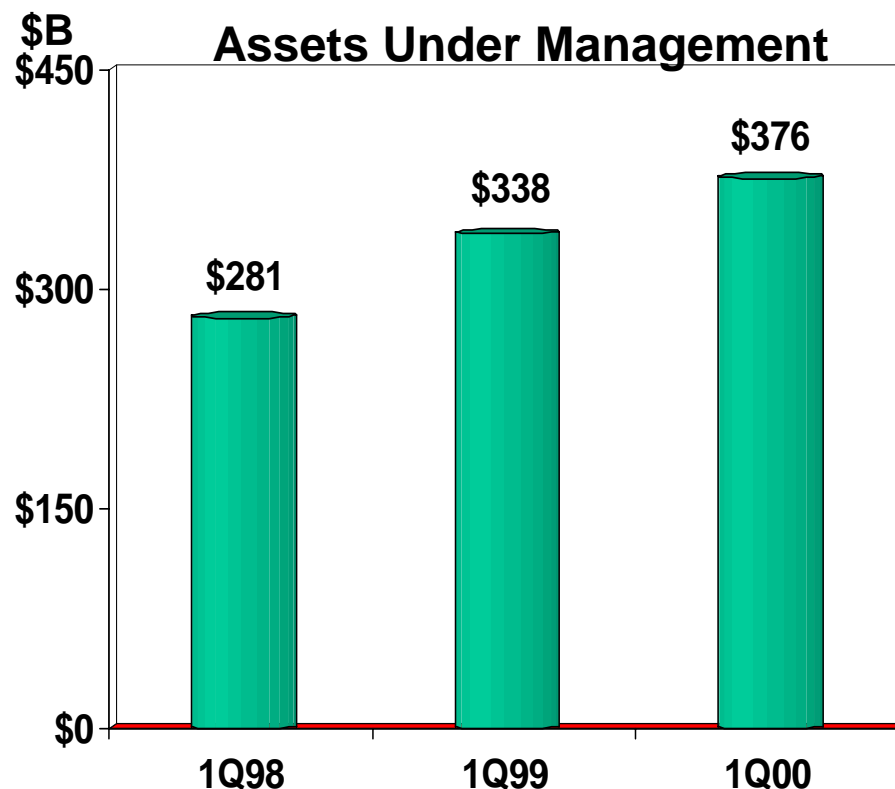
## **Rankings**

<b><u>U.S.</u></b>	<b><u>1Q00</u></b>	<b><u>1Q99</u></b>
Debt Underwriting	#2	#2
Announced M&A	#2	#5
<b><u>Japan</u></b>		
Announced M&A	#1	#2
Equity	#2	--
<b><u>Asia Pacific</u></b>		
Announced M&A	#1	--

# Global Investment Management and Private Banking

**Core Income Up 26%**

- **Asset Management up 13%**
- **Private Bank up 44%**
- **26% revenue growth**
- **Volume growth**
  - SSB Citi Asset Management - AUM up 11% to \$376 billion
  - Private Banking client business volumes up 21% to \$144 billion
- **Expanding in proprietary channels**
  - \$684 million in Europe
  - \$347 million in Japan
  - \$296 million in U.S. Citibank branches
- **Expanding in retirement services**
  - Consolidating ownership in pension fund companies in Mexico, Argentina
  - Launched CitiStreet joint venture

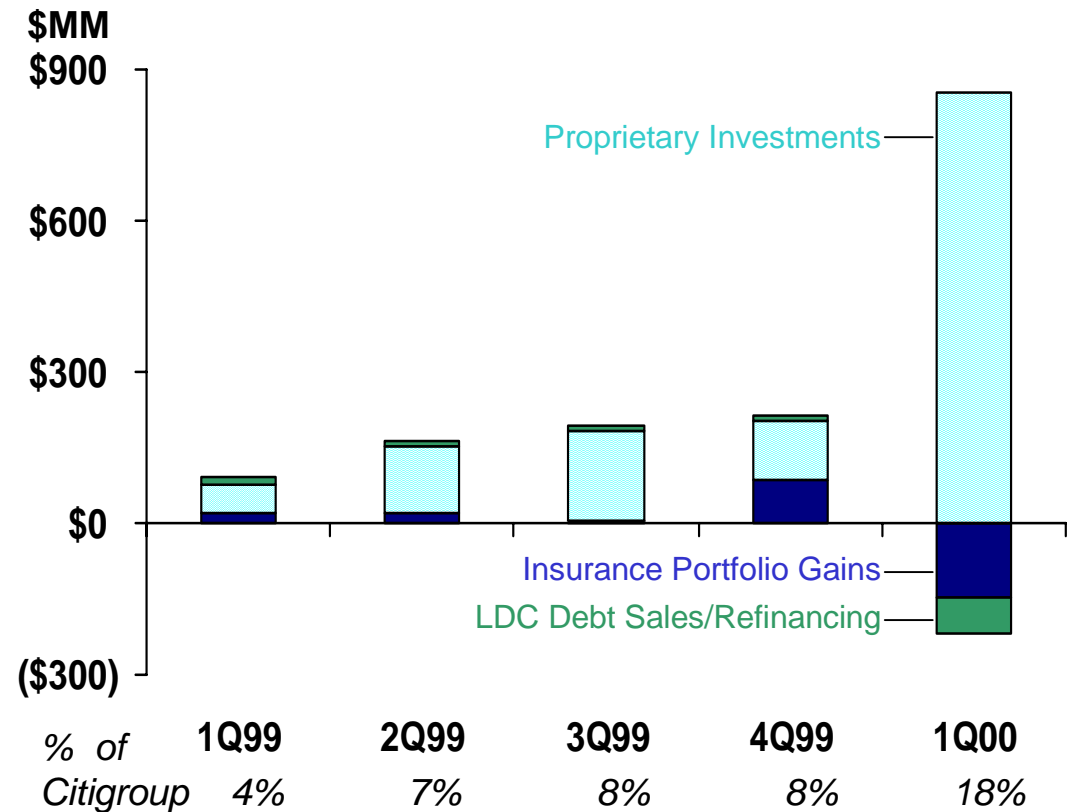




# Investment Activities

**Core Income \$634 Million**

- **Extraordinary performance in Venture Capital**
  - Includes mark-to-market and realized gains
- **Proprietary investments reflect gains in tech-related investments**



# ***Consumer Distribution Network***

## ***Expanding Channels***

- Added 600 people to Citibank branch sales force
- Travelers Property Casualty increased by 200 agencies
- CitiFinancial expanded by 39 branches
- Mortgage Banking added 99 branches with Source One acquisition
- Consumer finance offices in Latin America up 73 with Provencred and Atlas acquisitions
- Added 60 Private Bankers
- SSB up 496 Financial Consultants and 25 new domestic retail branches
- Increased internet relationships:
  - Direct Access ↑ 469,000
  - SSB Access ↑ 552,000
  - Account On-Line ↑ 1,423,000



A member of citigroup



# ***Multiple Product Distribution***

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***First Quarter 2000***

## **Asset Management**

- **U.S. mutual fund sales**
  - \$4.7 billion through SSB retail branches
  - \$465 million for Primerica
  - \$296 million for Citi branches
- **International sales through Citibank**
  - \$684 million in Europe
  - \$347 million in Japan

## **Banking/Lending**

- **Mortgages through SSB**
  - \$713 million applications
  - \$274 million sold
- **\$530 million CitiFinancial loans through Primerica and NA Cards**

## **Insurance**

- **Over 9,500 property casualty policies through Cards**
- **Annuity sales through proprietary channels**
  - SSB - \$469 million
  - Primerica - \$238 million
  - Citibank branches - \$122 million

# Citi on the Net ➡ Service and Efficiency



## SSB Access

- Account access
- Investment advice
- Financial planning calculators
- On-line trading
- Over 1 million accounts



## Citibank Private Bank

- Detailed account information
- Monthly consolidated summary
- Financial news and market information
- Multi-language capability

## Account Online

- Detailed account information for cardmembers
- 1.8 million accounts

# Citi on the Net ➡ Creating Marketplaces



## Electronic procurement marketplace joint venture

- *Commerce One*



## Information marketplace

- *Securities.Hub*
- *Syndicate.Hub*
- *Bond.Hub*



## Small business vertical marketplace

- *Bizzed.Com*



Syndicate Hub			
Market Update   Calendar   Roadshows   Prospectus   Pricings   MTNs   Search			
Bond Hub			
Ratings   News   Prices   3rd Party			
S&P Dow Jones Govt MCM Moody's Reuters SQX SMRA			
Market Update			
10/22/99	LEH	Issuer B	Deal Priced
10/21/99	SSB	ABC International	<a href="#">Final prospectus posted</a>
10/22/99	SSB	Issuer A	<a href="#">Electronic roadshow posted</a>
10/20/99	GS	First Second National	Deal Priced
10/20/99	LEH	Manhattan Petroleum Corp	<a href="#">Roadshow schedule updated to include three new cities: Boston, New York and Philadelphia</a>
10/19/99	SSB	ABC International	Preliminary prospectus posted
10/19/99	MSDW	Car Corp Financial	Final prospectus posted
10/19/99	CSFB	Skyscraper Construction	Roadshow schedule posted
10/19/99	SSB	ABC International	Roadshow schedule updated
10/18/99	GS	First Second National	Preliminary prospectus posted



# ***Citi on the Net ➡ Leading in Evolving Technology***

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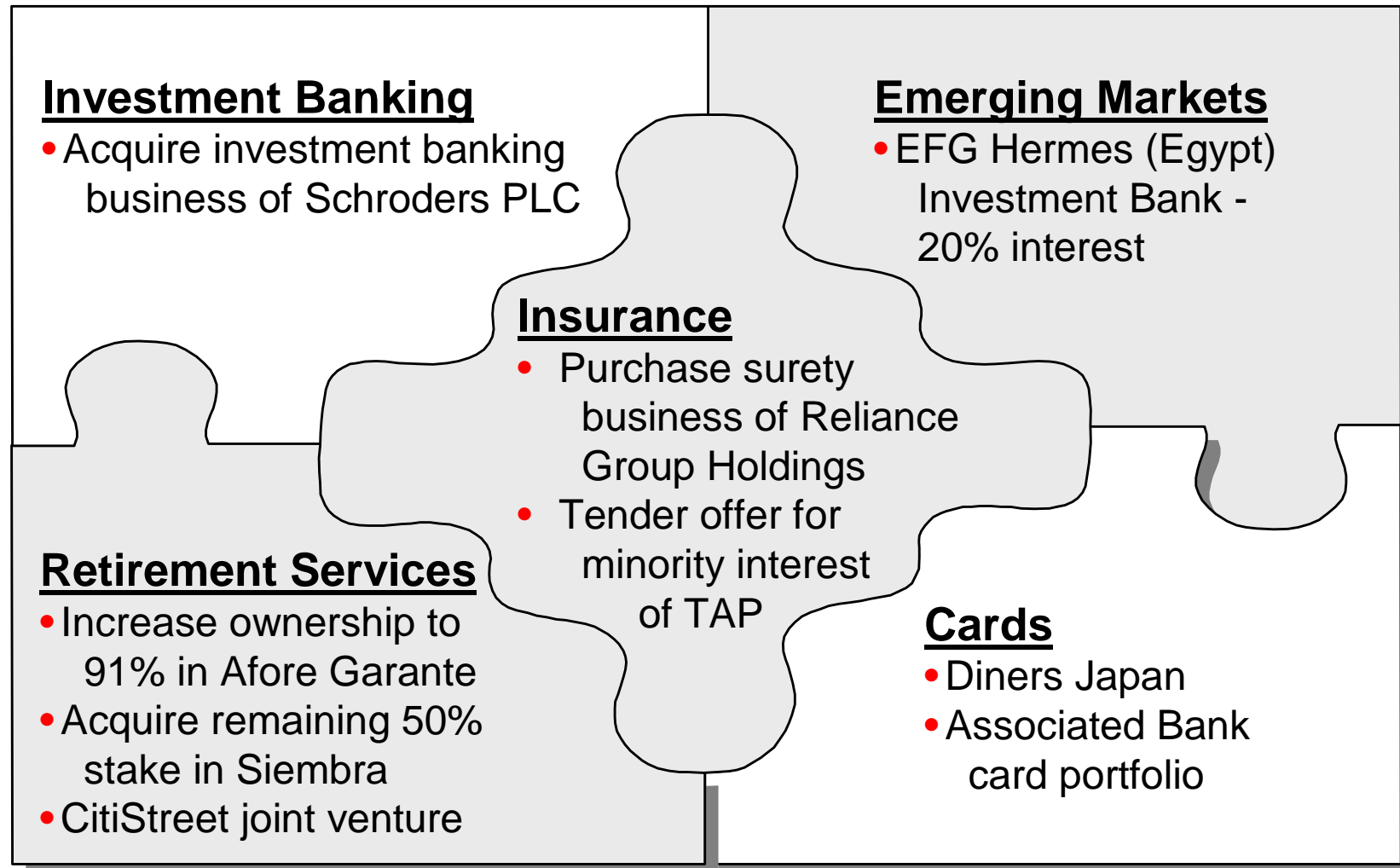
## ***Example: Wireless***

- ☎ Investor/partner with leading edge technology providers**
  - *7/24 Solutions*
  
- ☎ Developing new architecture for customer acquisition and servicing**
  - *300-400 million wireless users globally*
  
- ☎ Launching mobile phone banking**
  - *Poland*
  - *Singapore*
  - *Japan*



# ***Recent Acquisitions - Immediately Accretive, Building Franchise***

***First Quarter 2000 (Announced or Completed)***



# Capital Discipline

**First Quarter 2000**

	<u>1Q00</u>	<u>1Q99</u>
• ROE	30%	24%
• Stockholders' equity* (billions)	\$ 55.2	\$ 48.8
• Strong regulatory capital ratios		
Tier I Ratio**	9.7%	8.9%
Total Capital Ratio**	12.4%	11.5%
GAAP Assets** (billions)	\$ 739	\$ 691
• Consistent share repurchase		
– 22.5 million shares for 1Q00		
– Shares outstanding down 9.7 million shares from one year ago to 3.4 billion		

\* Includes trust securities

\*\* Estimated

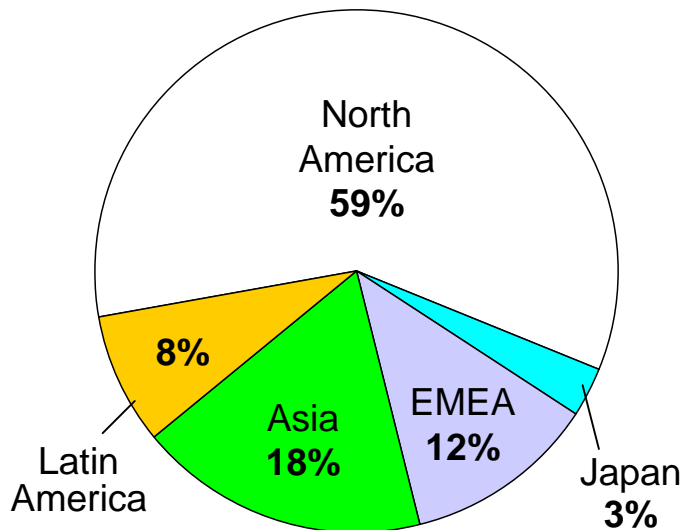


# Global Diversity of Earnings

## First Quarter 2000 Core Earnings

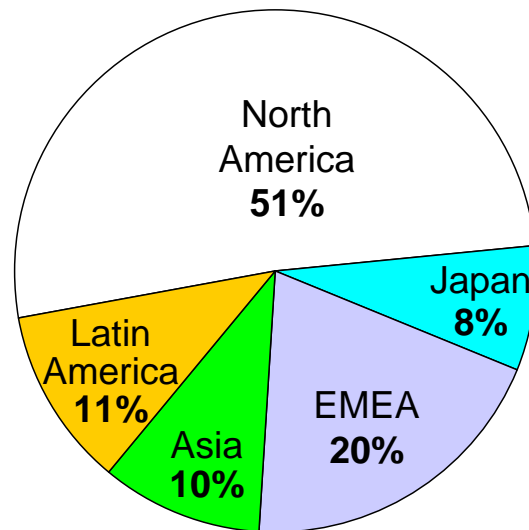
### Global Consumer

(Excluding insurance)

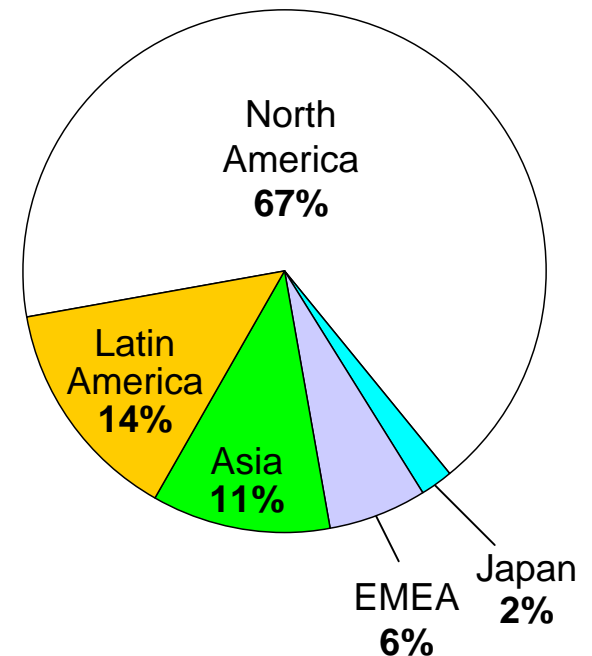


### Global Corporate & Investment Bank

(Excluding insurance)



### Global Investment Management & Private Banking



Note: Various assumptions have been made due to integration of global activities

- **Diversified earnings**
- **Business leadership**
- **Management discipline**
- **Technology leader**
- **Capital strength**