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**First Quarter 2001 Earnings Review**

**April 16, 2001**

# ***First Quarter 2001 Highlights***

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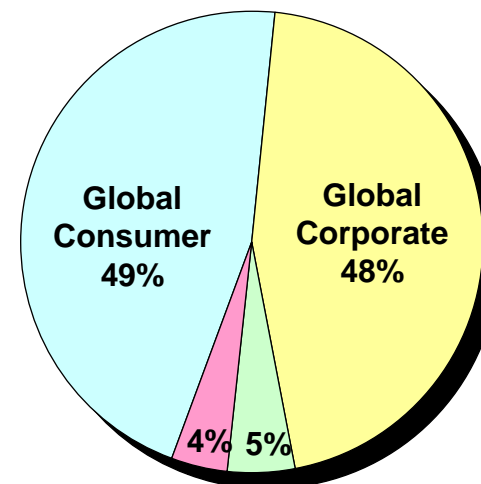
**\$3.7B Core Income**

- ✓ **Core income up 7% (excluding Investment Activities)**
- ✓ **Record revenues in all key segments**
  - Global Consumer up 10% to \$10.5B
  - Global Corporate up 11% to \$9.5B
  - Global Investment Management & Private Banking up 14% to \$906MM
- ✓ **22.5% ROE on \$66.9B in common equity**
- ✓ **Associates integration on track**
- ✓ **Market share gains in the Corporate & Investment Bank**
- ✓ **Expanding markets in Global Cards and Global Consumer Finance**
- ✓ **Cross-Marketing: The Citigroup Difference**

# Diversified Global Earnings Growth

## First Quarter 2001 Income

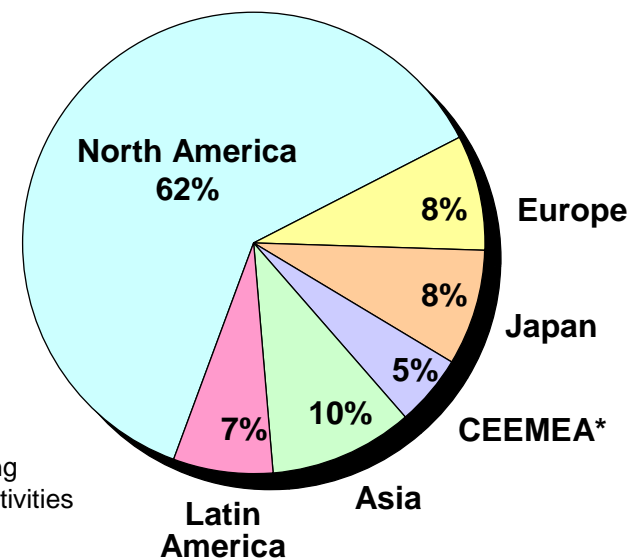
| (\$ in Millions)                          | <u>1Q01</u>    | <u>1Q00</u>    | <u>% Change</u> |
|---|----------------|----------------|-----------------|
| Global Consumer                           | \$1,777        | \$1,506        | 18%             |
| Global Corporate                          | 1,746          | 1,886          | (7%)            |
| Global Investment Mgmt. & Private Banking | 193            | 174            | 11%             |
| Investment Activities                     | 136            | 633            | (79%)           |
| Corporate/Other                           | (192)          | (260)          | 26%             |
| <b>Core Income</b>                        | <b>\$3,660</b> | <b>\$3,939</b> | <b>(7%)</b>     |
| Diluted Core EPS                          | \$ 0.71        | \$ 0.76        | (7%)            |
| ROE                                       | 22.5%          | 27.3%          |                 |
| Restructuring & Merger-Related Items      | (80)           | (83)           | NM              |
| Effect of Accounting Change               | (42)           | ---            | NM              |
| Net Income                                | <u>\$3,538</u> | <u>\$3,856</u> | (8%)            |



Note: Excluding Corporate/Other

Investment Activities

Global Investment Mgmt. & Private Banking

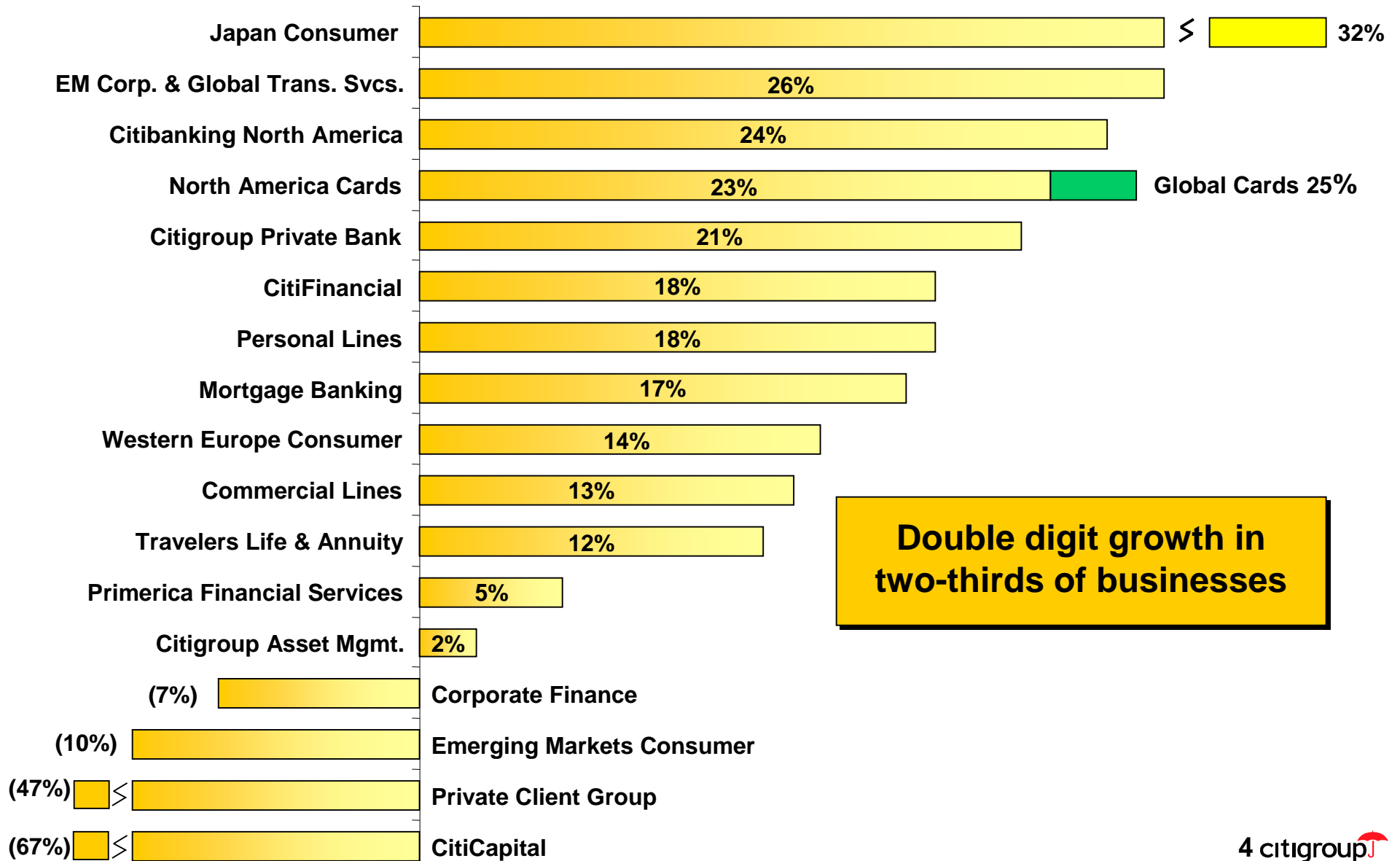


Note: Excluding Investment Activities

\*CEEMEA (Central & Eastern Europe, Middle East and Africa) includes the Indian sub-continent

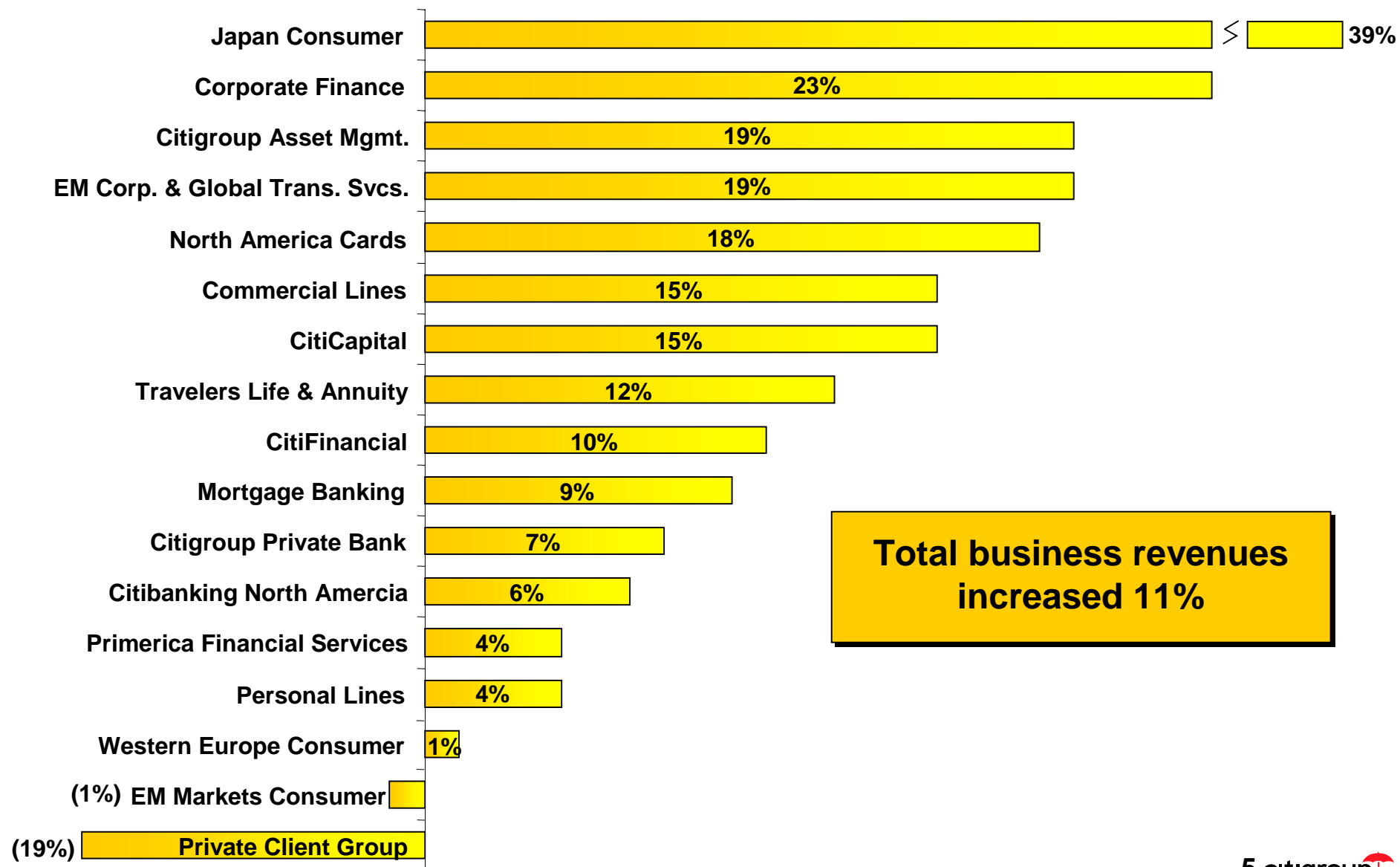
# Delivering on Diversified Growth

Core Income First Quarter 2001 (Year-over-Year %)

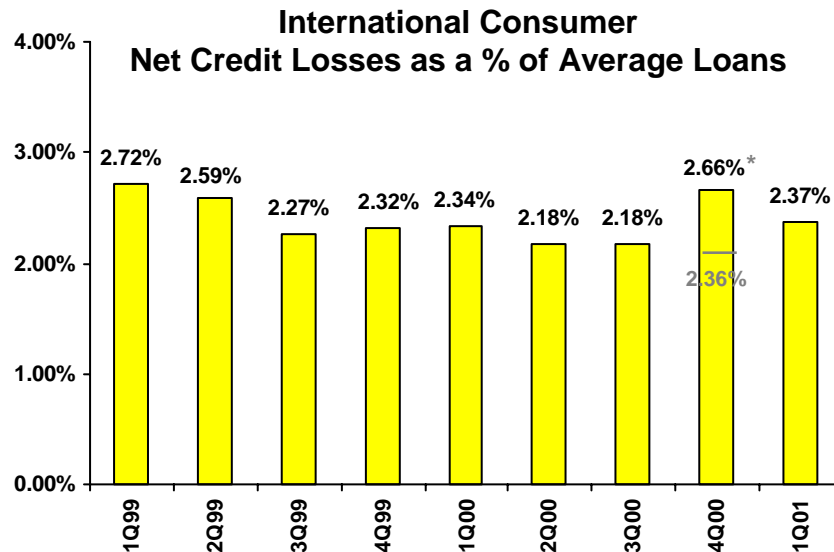
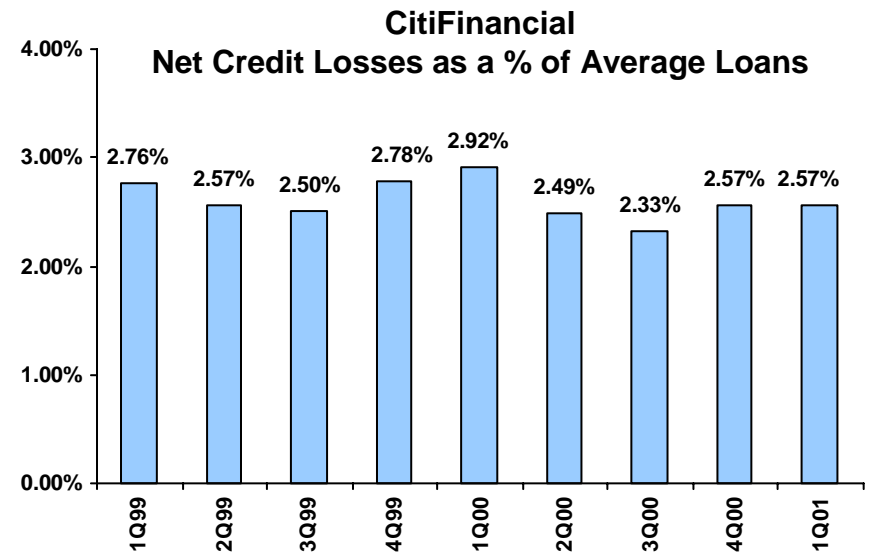
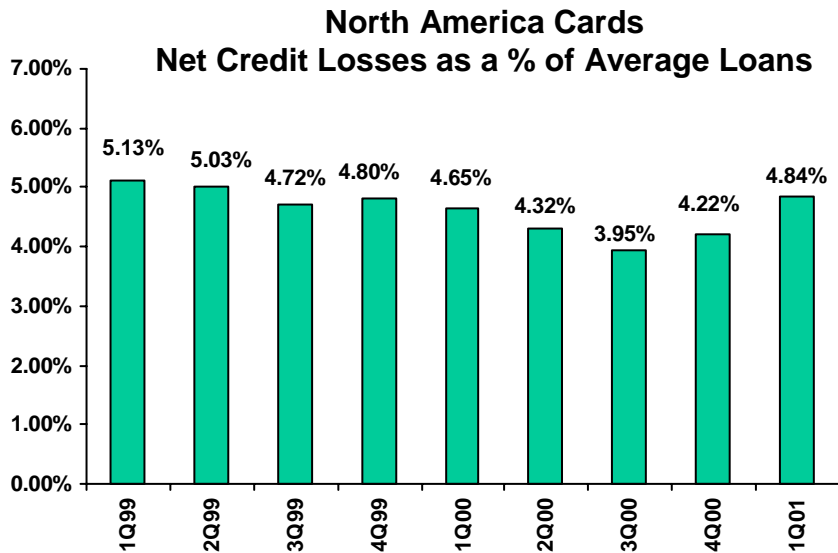


# Healthy Top-Line Growth

## Revenue First Quarter 2001 (Year-over-Year%)



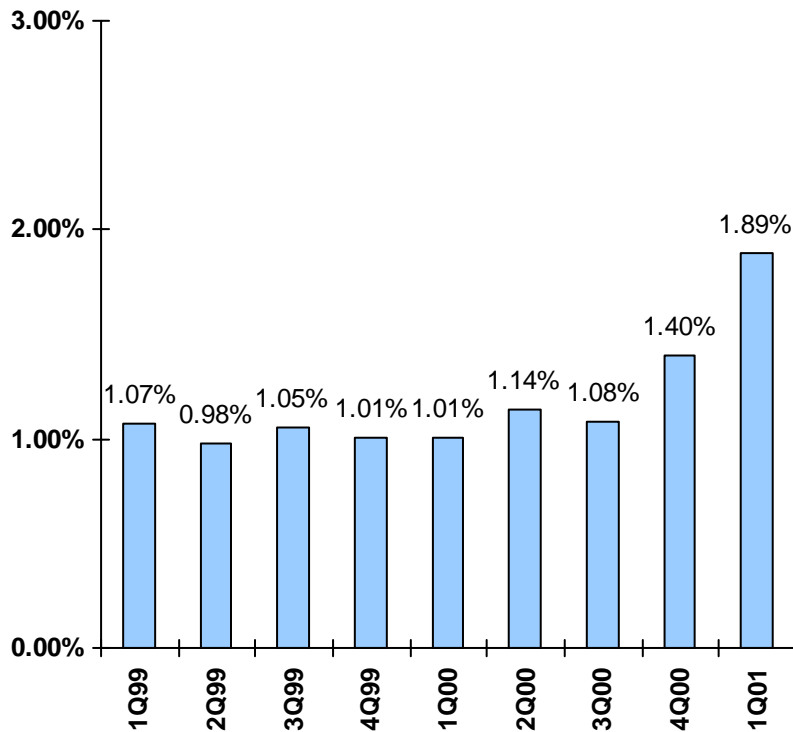
# Citigroup Consumer Credit Quality



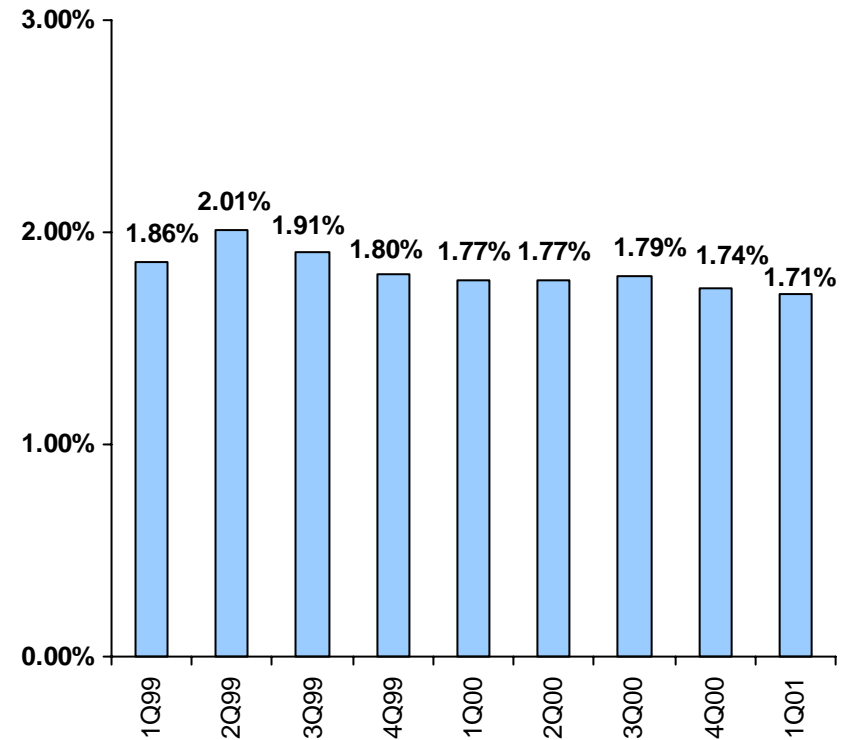
\*4Q00 of 2.66 % includes FFIEC write-offs; ex-FFIEC in 4Q00 was 2.36%

# Citigroup Corporate Bank Credit Quality

Corporate and Investment Bank  
Cash Basis Loans as a % of EOP Loans



Emerging Markets and Global  
Transaction Services  
Cash Basis Loans as a % of EOP Loans



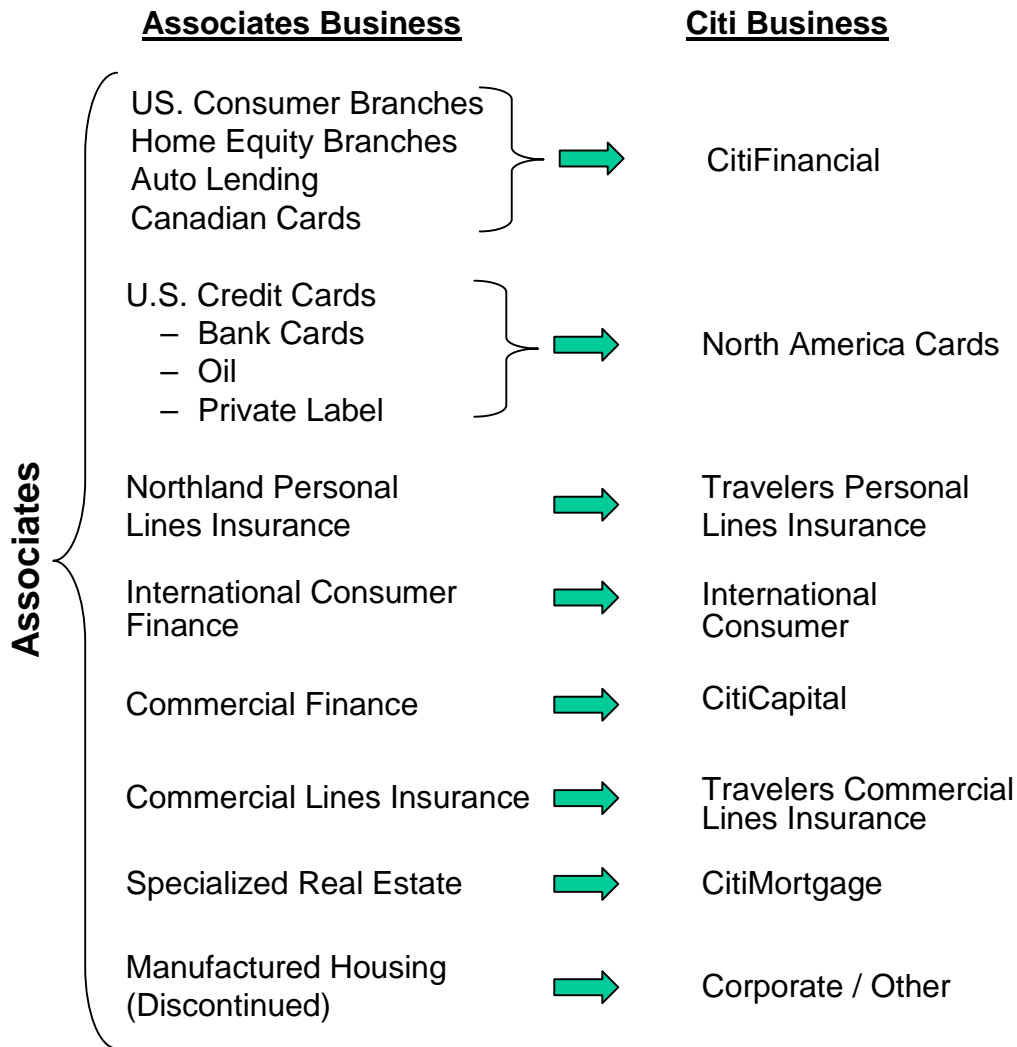
# ***Controlling Expenses***

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- **Ongoing review of expense base**
- **Significant reduction in controllable expenses**
  - New controls in place
- **Reviewing all “investments” - technology initiatives, etc.**
  - Delaying and reducing where appropriate
- **Substantially reducing non-revenue generating new hires**
- **Trimming headcount at Global Corporate**

# Associates Integration

## Business Line Restatement



## Integration Progress

- **Expense saves commitment on track:**
  - \$600MM (pre-tax) annually
  - Two-thirds realized in FY'01
  
- **Achievements through Q101:**
  - Reduced corporate and admin. headcount by 30%
  - Closed 296 branches:
    - 164 Consumer Finance U.S.
    - 78 Consumer Finance Canada
    - 54 Home Equity
  - Cards integration largely complete
    - O&T alignment across all sites
    - Combined platform yielding revenue synergies
  - Leveraging supplier contracts

# Executing Growth Strategy

## Citigroup Strategic Focus

## First Quarter 2001 Performance

### Global Cards



- **#1 globally**
- Core income at \$598 million, up 25%
- Receivables up 14%; Accounts up 16%

### Global Consumer Finance



- **#1 globally**
- Core income of \$394 million, up 27%
- Receivables up 19%

### Emerging Markets



- **#1 globally**
- Core income of \$757 million, up 8%
- Best Emerging Markets Bank by *Global Finance Magazine*

### Global Insurance



- **#3 in Commercial Lines / top 10 in Personal Lines and Annuities in U.S.**
- Core income of \$700 million, up 12%
- Expanding internationally

### Global Capital Markets



- **Top 3 globally**
- Core income of \$1,141 million, up 2%
- Increased Global Debt & Equity Underwriting market share to 12.0% from 10.9% in 1Q00

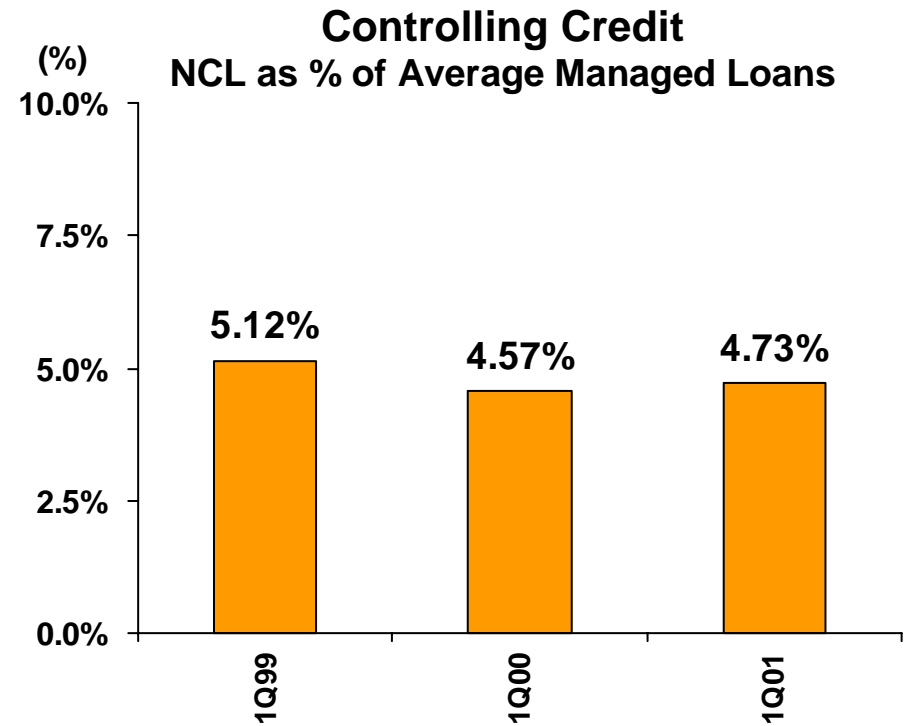
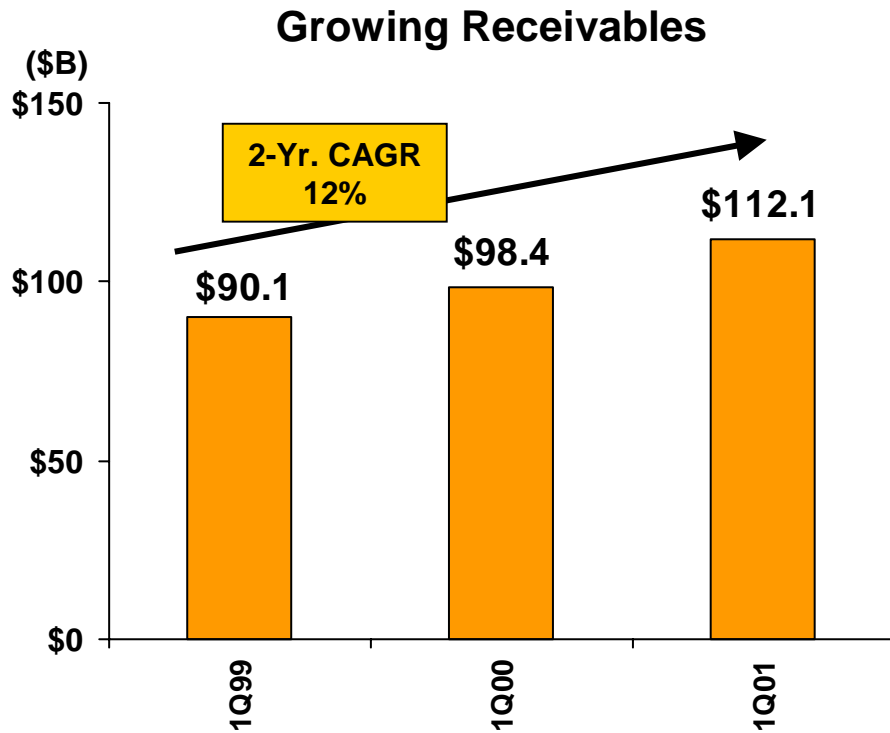
### Global Wealth Management



- **#2 globally**
- Core income of \$733 million, down 17%; up 4% excl. Private Client
- Proprietary share up to 60% from 38% in 1Q00

Note: Some of the above income segments overlap with others.

# Global Cards

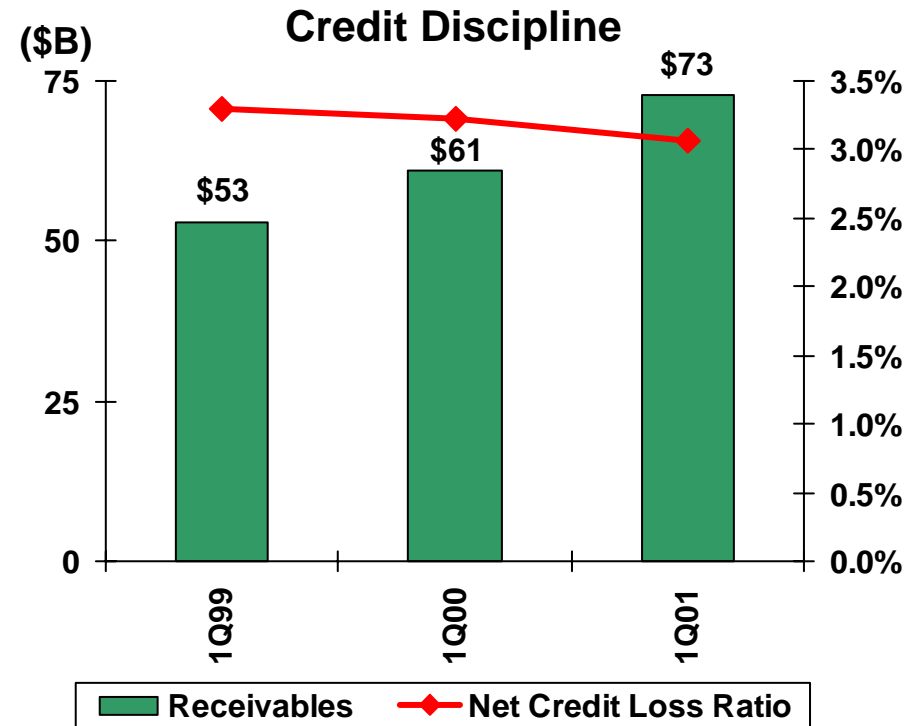
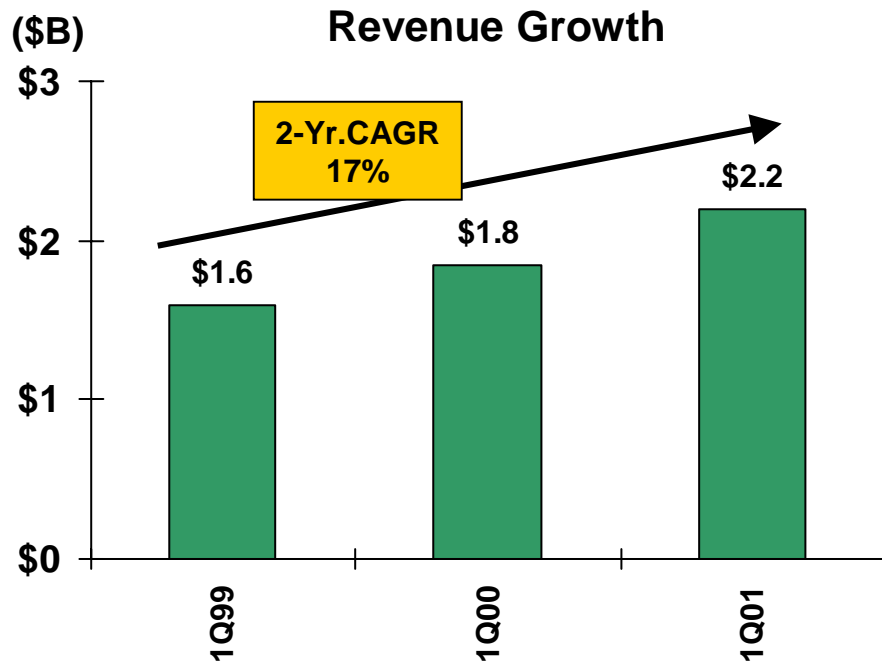


- 1Q01 income up 25% to \$598MM
- Best in industry cost position
- 1Q01 ROMA\* 2.07%, up 15 bps vs. 1Q00

\*Return on Managed Assets

# Global Consumer Finance

## Expanding Internationally



- **1Q01 income up 28% to \$394 million**
- **Acquisition of Associates achieved:**
  - Market leadership position in North America (2,430 branches)
  - 1,332 branches in 14 countries internationally
- **1Q01 2000 ROMA\* of 1.97%, up 6 bps vs. 1Q00**

\*Return on Managed Assets

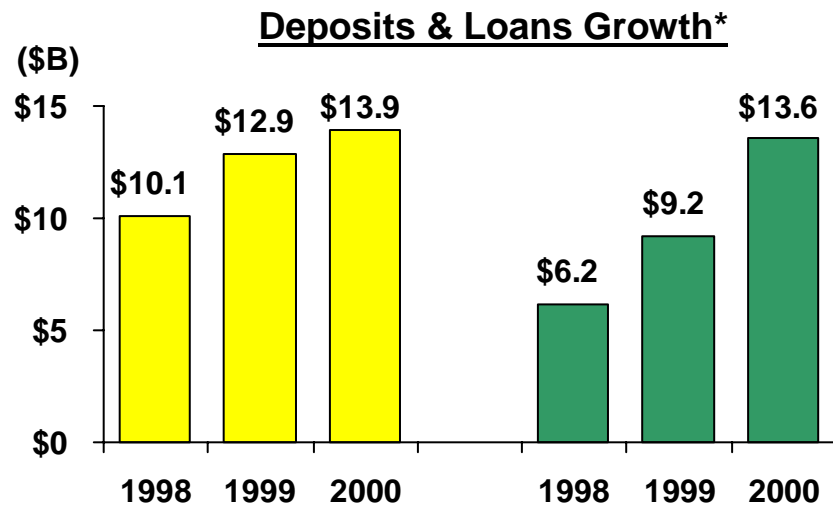
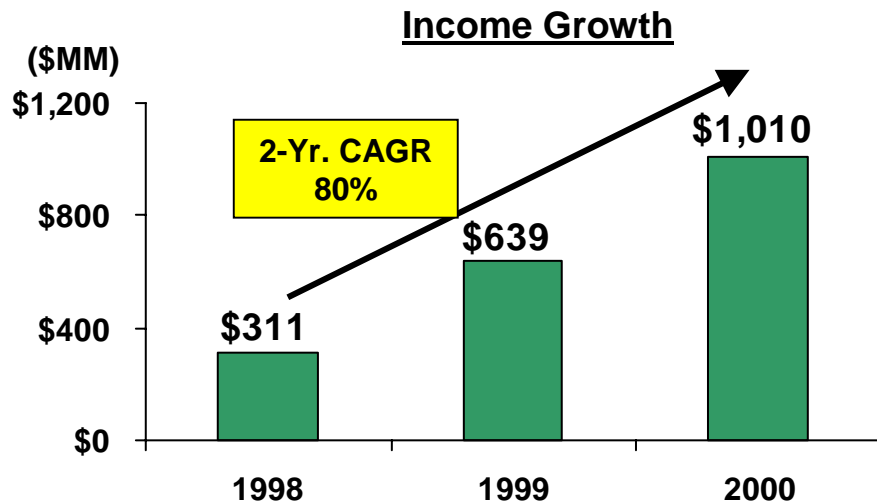
# Global Capital Markets

## Building Market Share

|                                   | Q1'01        |             | Full Year 2000 |             |
|-----------------------------------|--------------|-------------|----------------|-------------|
|                                   | <u>Share</u> | <u>Rank</u> | <u>Share</u>   | <u>Rank</u> |
| <b>Global Debt &amp; Equity</b>   | <b>12.0%</b> | <b>2</b>    | <b>10.9%</b>   | <b>2</b>    |
| <b>Global Debt</b>                | <b>12.3%</b> | <b>2</b>    | <b>11.5%</b>   | <b>2</b>    |
| U.S. Investment Grade             | 24.6%        | 1           | 16.4%          | 1           |
| U.S. High Yield                   | 18.2%        | 1           | 11.4%          | 3           |
| European Debt                     | 8.5%         | 2           | 6.8%           | 4           |
| <b>Global Equity</b>              | <b>10.4%</b> | <b>5</b>    | <b>7.5%</b>    | <b>5</b>    |
| <b>Global M&amp;A (Announced)</b> | <b>11.7%</b> | <b>7</b>    | <b>20.4%</b>   | <b>5</b>    |
| <b>Global M&amp;A (Completed)</b> | <b>42.3%</b> | <b>2</b>    | <b>17.0%</b>   | <b>6</b>    |

# Citigroup in Japan

## Building a Leading Presence



\*Figures represent fourth quarter averages

■ Deposits ■ Loans

### Consumer Banking

- 5MM customers (including 1MM card accounts)
- 22 Citibank branches
- 902 Consumer Finance branches
- Significant on-line accomplishments
  - 90% of transactions conducted on-line
  - Over 50% of acquisitions through remote channels

### Corporate and Investment Banking

- 1,000+ domestic relationships
- NSSB Market Share (1Q'01)
  - Equity 65% (#1)
  - Announced M&A 20% (#2)
  - Domestic Debt 15% (#4)
- Leadership in Structured Products
  - #1 in Securitization
  - #1 in Syndications
  - #3 in FX

### Wealth Management

- \$22.8 Billion AUM's
  - \$19.9 Billion institutional
  - \$2.7 Billion retail

# Leverage Distribution

← 146 Million Customer Accounts > 100 Countries →

## Distribution Channels:

- Market Leadership
- "Open Architecture"



500 Representatives



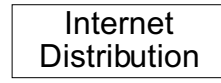
215,000 PFA's



15,000 Agents



~ 2,000 Offices (with AFS)



9 MM Internet Relationships



2,600 Rel. Managers



12,000 FC's  
2,000 Inv. Bankers



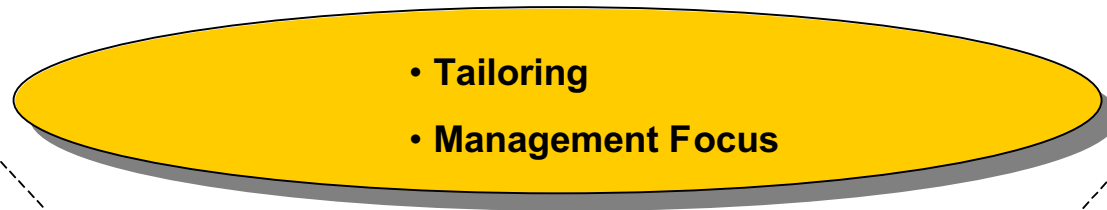
700 Private Bankers



8,000 Agents



1,400 Branches



## Product Manufacturing:

- Best in Class Products
- Scale Efficiency



# Cross-Marketing: The Citigroup Difference

## Management Approach

### Three Pillars

#### Embedding Cross-Marketing Culture (Broadening and Deepening Customer Relationships)

#### Customer Opportunities

- Maximize share of wallet position
- Identify strategies to increase:
  - More products through existing distribution
  - New distribution requirements
  - Better customer segmentation

#### Technology/ Infrastructure /Information

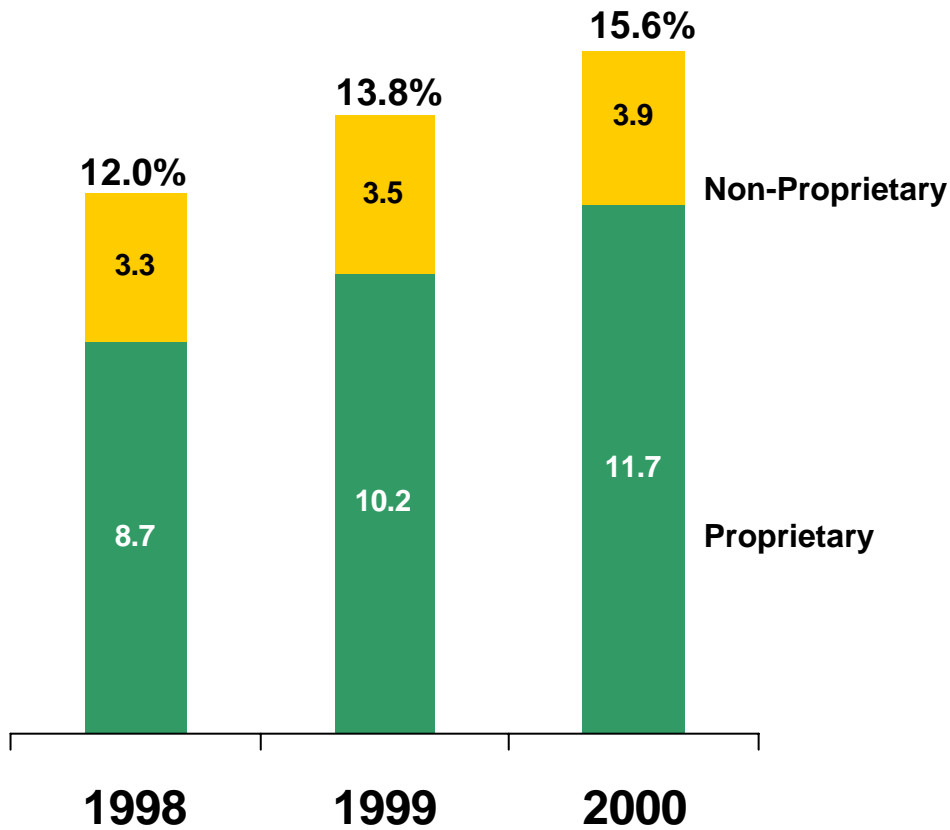
- Customer focused data and information
- Integrate customer data systems
- Streamline salesforce links

#### Organizational Alignment

- Senior management focus
- Business level accountability for cross-marketing
- Created appropriate metrics and incentives

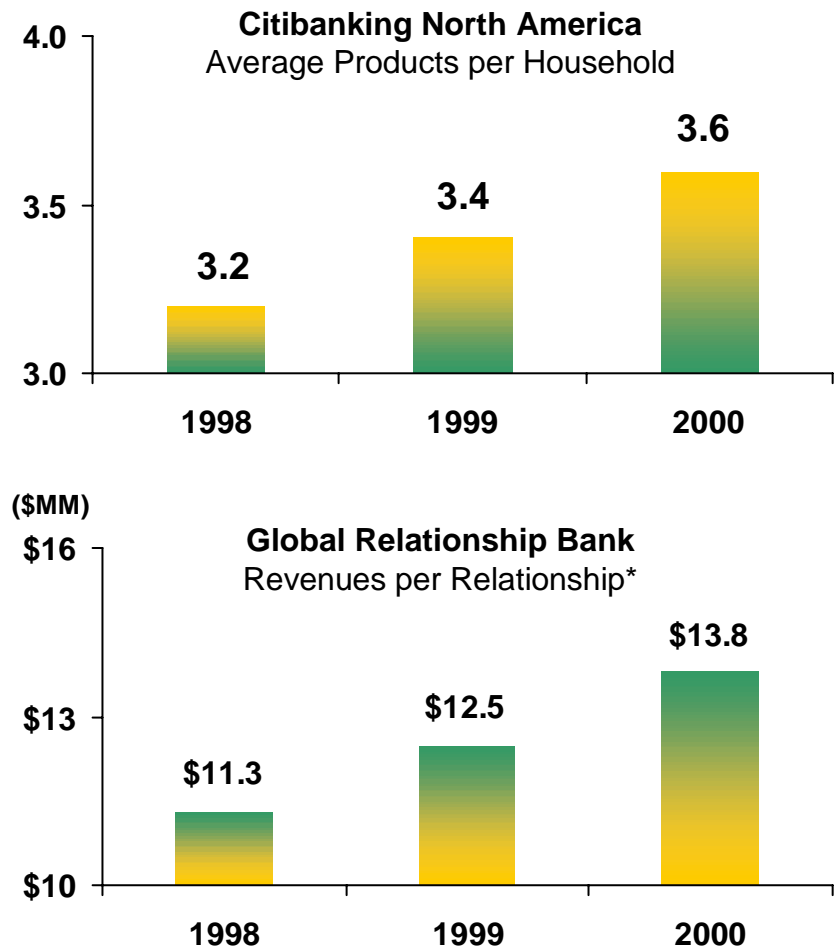
# Cross-Marketing: The Citigroup Difference

Cross-Marketing is Increasing as a % of Total Revenues\*



\*Excludes revenue from Associates due to limited time to pursue cross-marketing opportunities (acquired in 4Q2000)

We are Focused on Growing Number of Products and Revenue per Customer

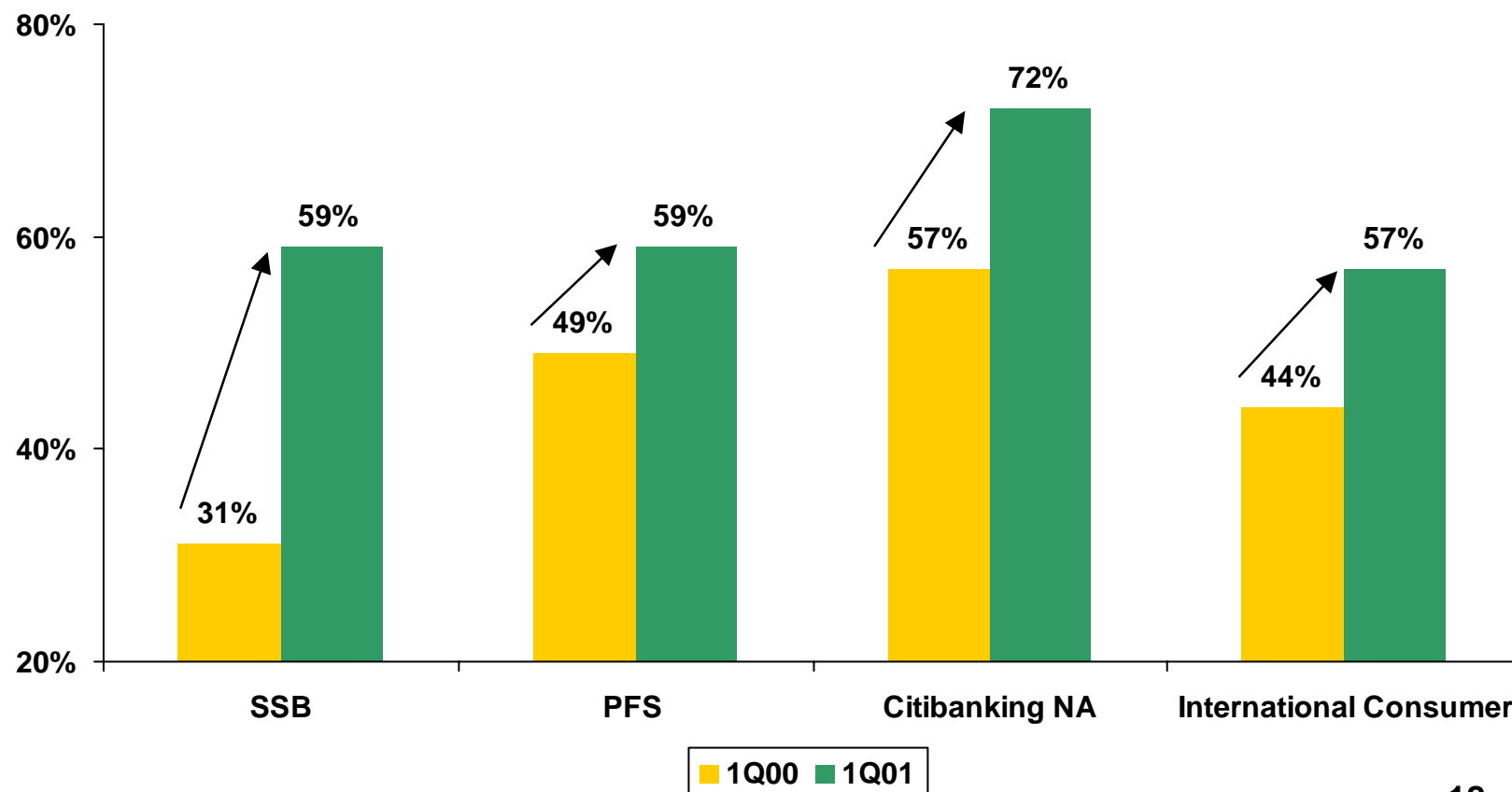


\*Customers with greater than \$5MM in revenues

# Citigroup Investment Products Distribution

Growing Proprietary Share of Channel

Proprietary Investment Products  
% Share of Channel  
1Q01 vs. 1Q00



# Capital Discipline

First Quarter 2001

|  | <u>1Q01</u>           | <u>1Q00</u> |
|--|-----------------------|-------------|
| Stockholders' equity <sup>(1)</sup> (billions) | \$ 73.6               | \$ 64.8     |
| ROE (Full Year)                                | 22.5% <sup>(2)</sup>  | 27.3%       |
| <b>Strong regulatory capital ratios</b>        |                       |             |
| Tier I Ratio (>7.5% <sup>(3)</sup> )           | 8.5% <sup>(2)</sup>   | 9.0%        |
| Total Capital Ratio (>10.5% <sup>(3)</sup> )   | 11.3% <sup>(2)</sup>  | 11.5%       |
| GAAP Assets (billions)                         | \$ 948 <sup>(2)</sup> | \$821       |

## Consistent share repurchase

- 24.6 million shares for 1Q01
- Repurchase cost of \$1.2 billion for 1Q01
- Diluted shares outstanding 5.1 billion at end 1Q01

(1) Includes trust securities

(2) Preliminary

(3) Management guideline

# ***Citigroup Business Model***

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- **Diversified global earnings growth**
  - Select geography, product, channel
  - Stable and recurring income
- **Business leadership**
  - Powerful distribution
  - Cross-marketing focus
  - Manufacturing scale
- **Management discipline**
  - Expense and risk management
  - Acquisition integration
- **Technology leadership**
  - Scale platforms
  - Internet enabled
- **Capital Strength**
  - Efficient management
  - Play offense

- **Statements made today may include forward-looking information subject to risks, uncertainties and other factors that could materially affect actual results.**
- **For further information please see Citigroup's reports filed with the SEC pursuant to the Securities Exchange Act of 1934 which are available at the SEC's website ([www.sec.gov](http://www.sec.gov)).**