



November 12, 2013



Treasury and Trade Solutions

Naveed Sultan



In the long history of humankind,
those who learned to **collaborate**
and improvise most effectively have
prevailed.

Charles Darwin



Citigroup Results – 2013 3Q YTD



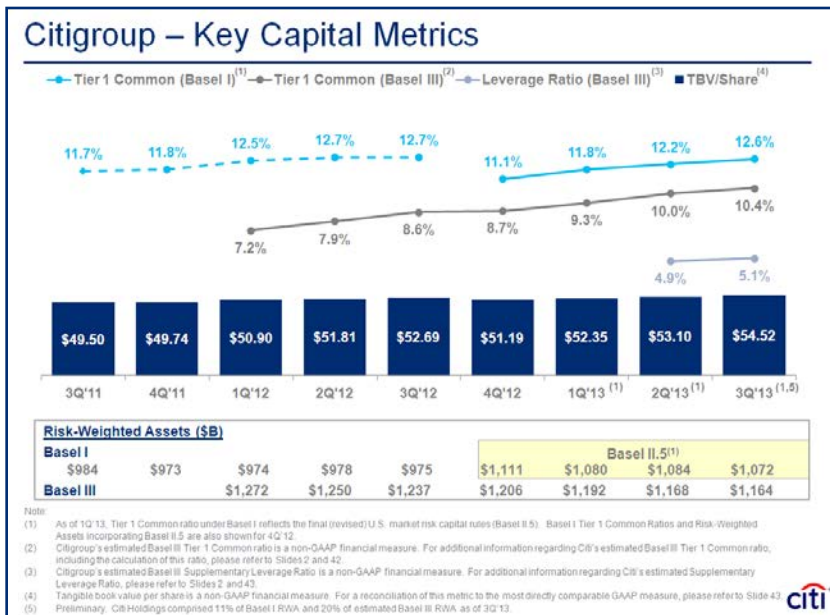
Net Income ⁽¹⁾	YTD '13
Global Consumer Banking (GCB)	\$5.5
Securities & Banking (S&B)	5.8
Transaction Services (CTS)	2.4
Corporate/ Other	(1.0)
Citicorp	\$12.6
Citigroup ⁽²⁾	\$11.0

Results reflect operating environment

- Slowdown in client activity given macro uncertainty
- Global spread compression and regulatory changes in certain markets
- Headwinds from North America mortgages

Improved efficiency

- Maintaining expense discipline
- On track to meet our repositioning targets announced in 4Q'12



Winding down Citi Holdings

- Assets down 29% YoY to \$122B (6% of Citigroup assets)
- Earnings drag further reduced as credit continues to improve
- Freddie Mac agreement a significant step in moving past legacy issues

Building a stronger institution

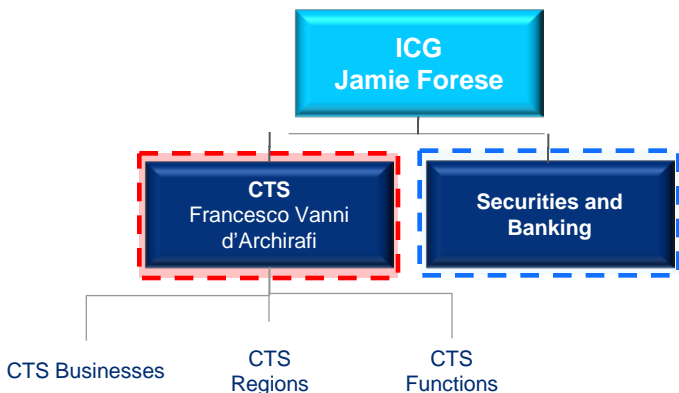
- Utilized approximately \$1.8B of deferred tax assets year-to-date
- Basel III Tier 1 Common Ratio of 10.4%
- Supplementary Leverage Ratio of 5.1%
- Prudently managing risk given challenging environment

Institutional Clients Group Reorganization

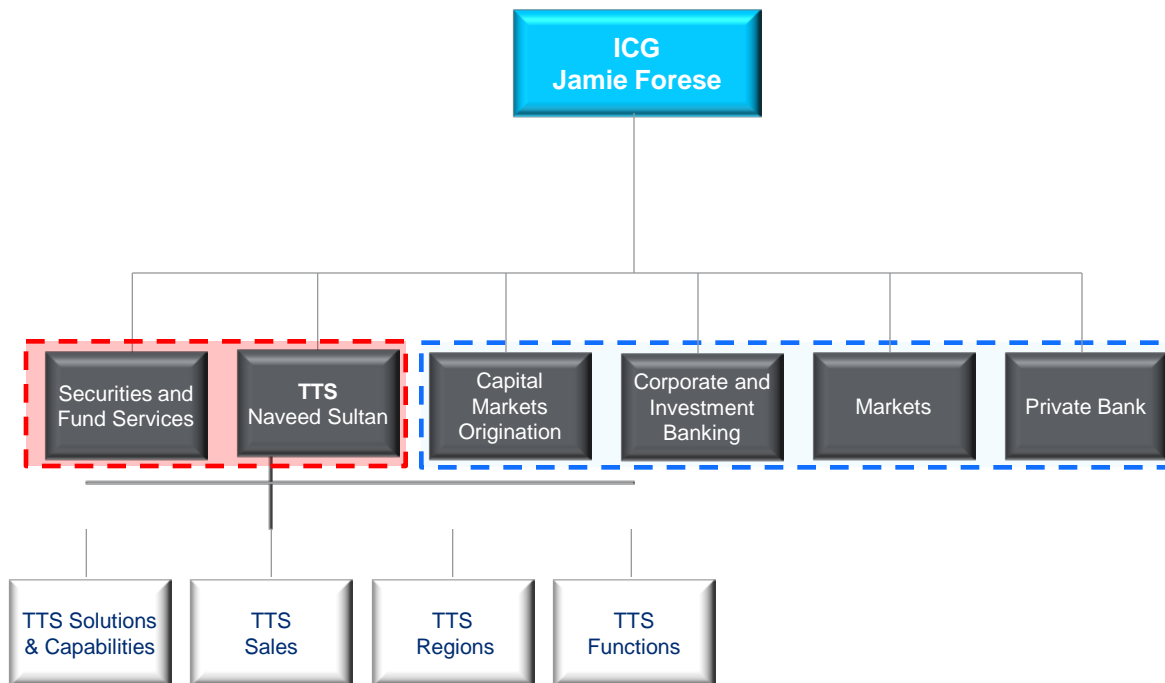


A new management structure and a more integrated business model

Pre-Reorg



Post Reorg



Secular Trends Shaping the World



⏪
Past (1990)

||
Present

⏩
Future

Globalization



Urbanization



Digitization



Mobile broadband subscriptions: None



Mobile broadband subscriptions: 1.4bn



Mobile broadband subscriptions: 5bn (2017)



Internet users: Nominal
Web browser introduced in 1992



Internet users: 2.4bn
34% global penetration



Internet users: 3.5bn (2017)
50% global penetration

Regulation



Major New Regulation passed every 15-20 years

- 1950 - Office of Foreign Asset Control
- 1970 - Bank Secrecy Act
- 1986 - Money Laundering Control Act



Increasingly complex banking rules passed at an escalating pace in the past 13 years, with indications that pace will continue...

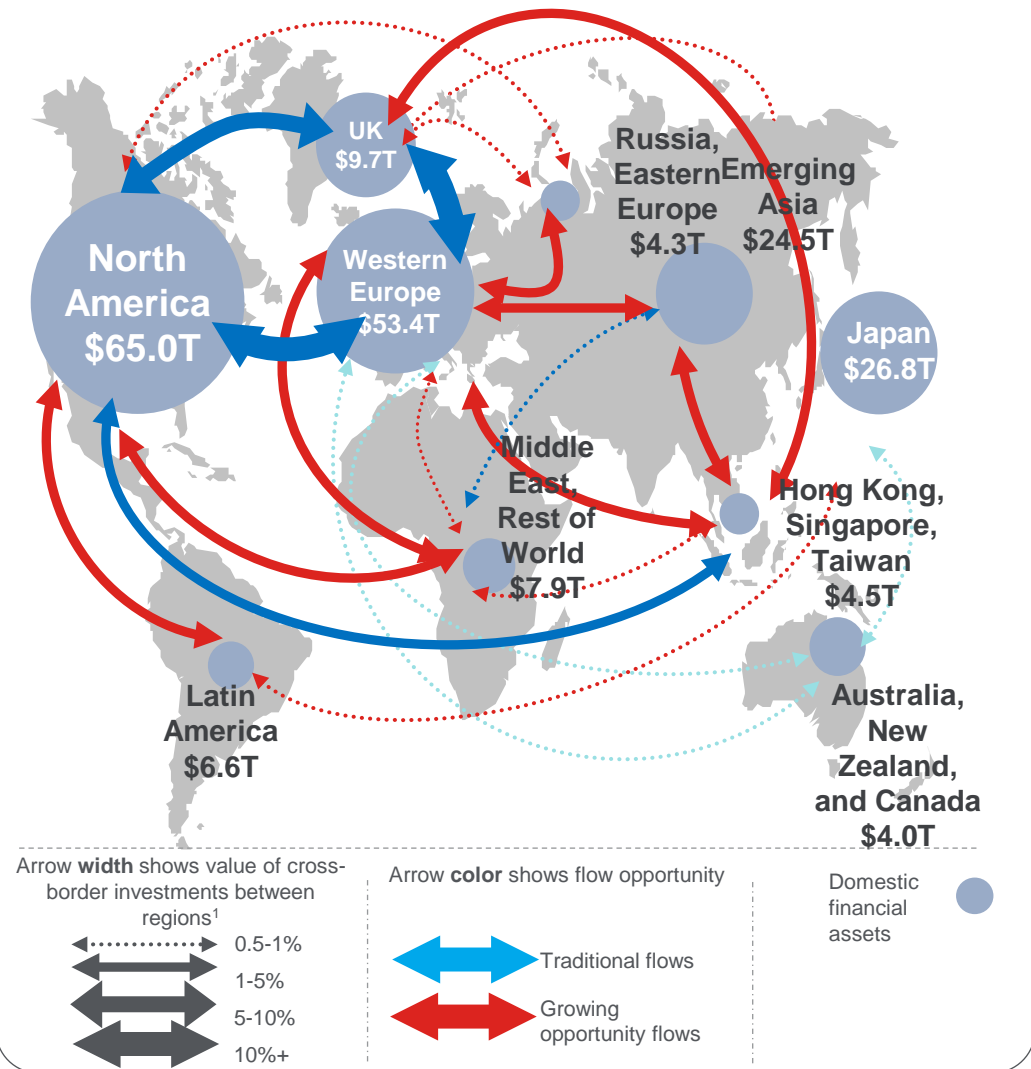
- Since 2000 – FACTA, US Patriot Act, SEPA, USAPA Certificate Benchmarking Dodd-Frank Act, Durbin Amendment, Payment Services Directive II, Recovery & Resolution Planning, Basel II,...



Trends are Shifting “Quantum” & “Direction” of Flows



Cross-Border Investment Flows



- New corridors of flows

- Rise of Emerging Markets

- Globally integrated marketplace

Source: International Monetary Fund, McKinsey Global Capital Markets, and TTS analysis

(1) Includes total value of cross-border investments in equity and debt securities, lending and deposits, and foreign direct investment

Product and Capabilities

- Launched RMB cash and trade services
- Global clearing platforms for consistency
- Extending network management capability
- Supply Chain Finance for LCY flows
- Streamline documentation requirements
- Invest and re-engineer Implementation, Client Service & Account Management model

Solution and Pricing

- Regional Cash solution based pricing
- Package Cash and Trade for working capital
- More pricing power at global sales level
- Customise capabilities to local standards

Local Resources

- Mobile payment/collection capabilities
- PAM support/credit and recalibrate returns
- Rely on partner banks to tailor local service

Technical Solutions

- Implement Flows Solutioning Framework
- Emerging Markets Resource Center Portal
- Partnership w/ FXLM for x-currency payments

Digitization - TTS Strategy



Continuing to invest in innovation that creates value for our clients

Macro-Trends

Macro Economy

Changing direction of flows & markets uncertainties

Regulation

Transparency requirements driven by regulations

Competition

Banks and non-traditional competitors are expanding into transaction banking

Globalization

Automation, centralization of information across ecosystems

Digital Strategy

- Enhance **end-to-end client experience**
- Deliver **greater value to our clients**
- Leverage our global scale to **digitize financial flows**
- Drive **competitive differentiation**

Strategic Priorities

Expand
channels and capture new flows

Extend
core digital platforms, products, and services

Optimize
business performance for Citi and clients through rich data and analytics

Deliver
Platforms and products that enable channel & device expansion, and reduced cycle times

Innovation: Ideation to Execution

Creating value and growth through innovation

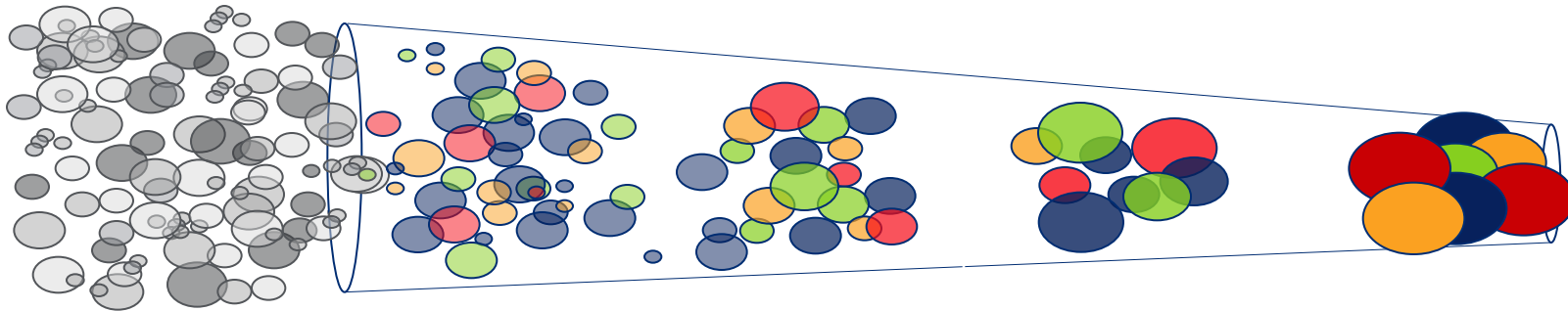


Increase the **volume of interesting ideas** ...

... the **velocity and effectiveness** of experimentation ...

... the funding for **validated proofs-of-concept** ...

...to get **breakthrough solutions** here



Citi Innovation Labs: Dublin, Singapore & Miami

- 1 Deliver Innovation Portfolios
- 2 Client Showcase & Solutions Center
- 3 Regional Innovation Center of Excellence
- 4 Execution of the Innovation Process

Transforming your tomorrow.

Today.



Innovation Concepts

Our innovation priorities are focused on addressing clients needs across our business



Cash Management				Cards		Trade	
Liquidity	Payments	Collections	Channels	Commercial	Prepaid	Finance	Services

DIGITAL BANK

Delivery of new concepts to be the worlds leading Digital Bank
 e.g. **CitiDirect BE (online upgrade, mobile, tablet), Payment Analytics/ Payment Exchange, Treasury Analytics, CitiConnect (ERP integration), Citi Commerce Services**

PUBLIC SECTOR PAYMENTS

Tackling fraud and overpayments in Public Sector Flows
 e.g. *Life Validation Services, Digital Identity, Welfare Tourism*

ENHANCED CLIENT EXPERIENCE

Delivery of tools/ capabilities to enhance user experience across our products/ services
 e.g. *STaRs, **Interactive solutions**, Capability Grid, UX enhancements to CitiDirect, CitiManager*

CLIENT INSIGHTS & ANALYTICS

Leverage data to generate new insights/ commercial opportunities
 e.g. *New Silk Roads (NSR), Supplier Spend solutions, Citi Insights FI*

Displayed in CAB Innovation Kiosks

Bringing Innovation to our Clients



CitiDirect BESM Tablet

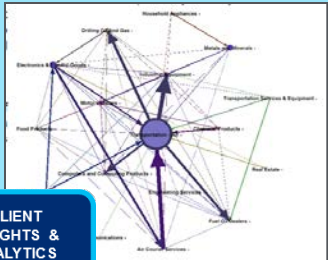


DIGITAL BANK

Our clients helped us design a better model of the first corporate banking tablet application providing financial analytics & transaction functionality.

- Through a prototype, 20+ client interviews **informed key design decisions**:
 - Create Regional & Country User Experiences & simple button to toggle between Chart & Map Views
- Launched in Sept. As of Nov 20th CitiDirect BE Tablet is live in **34 countries and 5 languages**

New Silk Roads



CLIENT INSIGHTS & ANALYTICS

Mining Citi's global transaction flow data at scale to yield actionable intelligence to enable clients to visualize their supply chains and uncover valuable insights

- Visualization of inter company payments and flows from buyers and flows to suppliers
- Prioritization of buyers and suppliers by risk rating
- Identify supply chain optimization opportunities

Interactive Client Solutions



ENHANCED CLIENT EXPERIENCE

- Liquidity solutioning
- Benchmarking using a lite version of Citi Treasury Diagnostics
- Visualization of our collections network and Payments & Receivables capabilities



We continue to deliver innovation within our core product groups (27 global and regional TTS solution enhancements since Mar 2013)

For More Details on Latest Developments – pick up a copy of our “What’s New” handout available outside

Focusing on Ease of Doing Business

We are listening to our clients feedback and are focusing on key initiatives with clear deliverables to be more responsive



What we are doing

Global Regulatory Guide



Country Regulatory Guides



Treasury Diagnostics



Providing Knowledge

Service Inquiry Analysis (SIA)

- Incorporating transaction and straight through processing data (per clients feedback)
- In pilot phase - targeted rollout scheduled for 1Q'14

Improving Client Productivity

- Facilitate Implementations process through Video Conference and Screen Sharing Capabilities
- New functionalities to access information/ make amendments via CitiDirect BE Mobile and Portal

User Experience (UX) Design

- Embedding UX Design standards across all development projects to deliver intuitive and consistent experiences

Account Opening

- Streamlining Documentation
- Automating Process & Digitization
- Enhancing Service & Operating Model



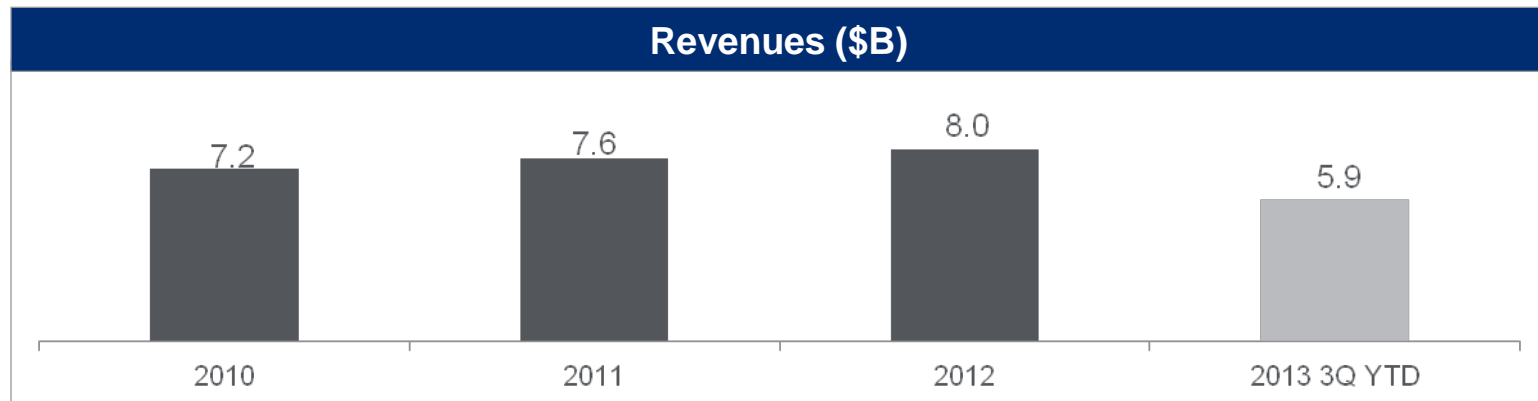
Strong core business & market share growth despite headwinds

- Strong underlying growth in liabilities and assets mostly offset the continued rate compression and FX headwinds
- Sales volumes remained strong with pipeline growth YoY

Continued disciplined Balance Sheet Management

Maintaining expense discipline

- More efficient allocation of resources by market, client and product
- Improved measurement and decision making





Enhance Client Experience

Deliver end-to-end client experience and integrated solutions

Grow the Core

Continue to deliver integrated solutions and invest in our platform infrastructure to maintain and grow market share

Invest in Growth Businesses

Continue to invest to capture greater wallet share in sub-products with high growth potential due to Citi's competitive advantages
(e.g. Commercial Cards, Supply Chain Finance, Trade Commodity, Payments)

Innovate and Digitize

Leverage the scale, scope and skill/expertise of TTS to extend the core and deliver compelling digital solutions to our clients

One ICG

Leverage Citi capabilities to serve our institutional clients across the full spectrum of Citi products and services

Drive Productivity

Cultivate productivity management as a core competency and continuously seek to automate and improve TTS products, delivery mechanisms and core processes



Alone we can do so little;
Together we can do so much

Helen Keller

