

Franchise Profile – Australia

Business Profile

- Citi in Australia provides a range of banking and securities services to individuals, institutional investors, corporations and governments, both domestically and internationally. It has the most extensive global reach of any bank with institutional and retail banking operations in Australia.
- Citi counts more than 1 million Australians and over 1,000 local corporates, foreign multinationals and institutional investors as its valued clients.
- Citi has over 3,300 employees supporting its operations in Australia. They are located throughout Australia and in offshore locations in Asia Pacific.
- Citi established its first representative office in Australia in 1965. When the local banking industry was deregulated in the 1980s, Salomon Brothers established an office in Australia and Citi received a local banking licence.

Banking Services

- Corporate & Investment Banking
- Treasury & Trade Solutions
- Markets and Securities Services
- Consumer Banking
- Commercial Banking
- Private Banking (from Singapore)

Key Financials (2018)

- Revenue (\$MM): 1,416
- Expense (\$MM): (741)
- Cost of credit (\$MM): (151)
- EBIT (\$MM): 524
- Return on Assets (ROA): 1.21%
- Return on Tangible Common Equity (ROTCE): 16.0%
- Efficiency Ratio: 52.3%

Key Priorities

ICG

Markets / Securities Services: bring international products to AU/NZ clients, export local product offshore, use current Top 3 position to increase wallet share and fill the product gap.

- Focus franchise and client growth opportunities towards international product offerings
- Identify new product gaps and fill existing gaps where we are competitive but outside the top 3, D1, Prime and ETFs
- Position for significant wallet growth in superannuation segment

CIB: grow market share while capturing opportunities presented by macro economic changes

- Reinvigoration of Corporate Bank following appointment of new Head in 2017
- Expansion of Public Sector Coverage, with focus on State Government entities
- Deepen FI Relationships with platinum clients and increased coverage of non-bank financials
- GSG restructure to expand product penetration and diversify revenue streams

TTS: further diversify away from interest rate products, increasing fee based annuity revenue

- Continued Public Sector penetration
- Expand relevance to Corporate Bank clients to drive assets and spend
- Capture emerging eCommerce and Fintech flows
- Grow structural revenue from Commercial Cards

CCB: build our Commercial Bank offering in Australia

- service growing, mid-sized companies that operate in both domestic and international markets

GCB

Deliver client-led growth:

Wealth Management:

- Transition from Retail Bank to Retail Wealth with Mortgages fully integrated into Wealth strategy
- Continue to simplify organisation and improve middle office efficiency
- Improve mortgage margins through process and fulfilment improvements
- Strengthen value propositions and focus on customer engagement and servicing

Cards:

- Deliver Citi-branded card portfolio growth through a refined customer value proposition and portfolio actions
- Embed new partner programmes and explore further to accelerate growth

Simplify and digitise the business:

- Continue to build a leading mobile banking experience
- Deliver operating process efficiency to reduce expenses to market and Citi regional benchmarks

Improve operational risk management:

- Implement a mature and effective risk and control management framework
- Establish a comprehensive data governance and management framework

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Institutional Clients Group

- The Institutional Clients Group consists of three divisions: Capital Markets and Advisory, Markets and Securities Services, and Treasury and Trade Solutions.
- **The Banking, Capital Markets and Advisory** business provides comprehensive relationship coverage with teams organised by industry and country.
 - In 2018, Citi's share of universe wallet across the three Investment banking products was 3.6 percent, ranked ninth among all banks.
 - Citi has played a significant role in many of the largest market-defining transactions in the Australian market for many decades. For example, in 2018 Citi raised US\$16.5bn for Australian Banks in local and offshore markets.
- Corporate banking services are also provided by **Citi Treasury and Trade Solutions**, a business which provides integrated cash management and trade finance services to multinational corporations, financial institutions, and public sector organisations in over 120 countries. Offerings include payments, receivables, liquidity management and investment services, working capital solutions, commercial card programs and trade finance.
- A broad global reach and comprehensive offering is provided in Australia by **Citi's Markets and Securities Services** division.
 - In the 2018 Peter Lee Associates and McLagan surveys of institutional investors, Citi maintained its top three performance in all asset classes.
- The needs of institutional investors are also met by **Citi Research**, a team focussed on delivering the highest quality company, sector, economic and geographic insights to clients globally.
 - Citi Research was also recognised in the top three brokers in the annual Thomson Reuters StarMine Awards for 2018

Global Consumer Bank

- The Global Consumer Bank in Australia has experienced considerable transformation. Determined to deliver a remarkable experience for its clients, Citi has invested in its digital capabilities, responding to the rapid adoption of mobile technology which has transformed how Australians transact, invest and manage their finances.
- Today, **more than 90 percent of Citi's clients come to the bank via its digital channels**, the highest digital conversion of any Citi franchise and higher than Australia's four domestic banks. Citi's investment in innovation includes the recent introduction of voice biometrics, providing its clients with an easier, faster and more secure authentication.
- Citi is the largest issuer of credit cards globally and the **fifth largest issuer in Australia with approximately 12 percent market share**. Citi is also Australia's largest provider of credit cards for other banks, providing its balance sheet to Bank of Queensland, Suncorp, Qantas, Virgin Money, Kogan.com and several building societies. In 2018, Citi Australia commenced its ten year agreement to distribute Wesfarmers' Coles branded credit card, further strengthening Citi's position in the Australian credit card market.
- Citi's innovative approach extends to its rewards programs, including the Citibank Dining Program. Citi's Consumer Bank clients also benefit from access to regular wealth seminars where analysts provide an overview of global market trends and investment opportunities.

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Awards Snapshot



2018 World's Best Digital Bank
2018 Best Consumer and Best Corporate/Institutional Digital Bank
Asia Pacific Winner – Best Corporate/Institutional Digital Bank
Australia winner – Best Corporate/Institutional Digital Bank



2018: Best Global Markets Research to Australian fixed-income investors



2018 Bank of the Year



2019 StarMine Awards:
Citi ranked as second most award winning broker
Citi analyst ranked as second 'top stock picker'
Citi analyst ranked as top earning estimator and stock picker for 'real estate'
Citi analyst ranked as top earnings estimator for 'chemicals and forest products'