BULKY DOCUMENTS

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Part 2 of 13

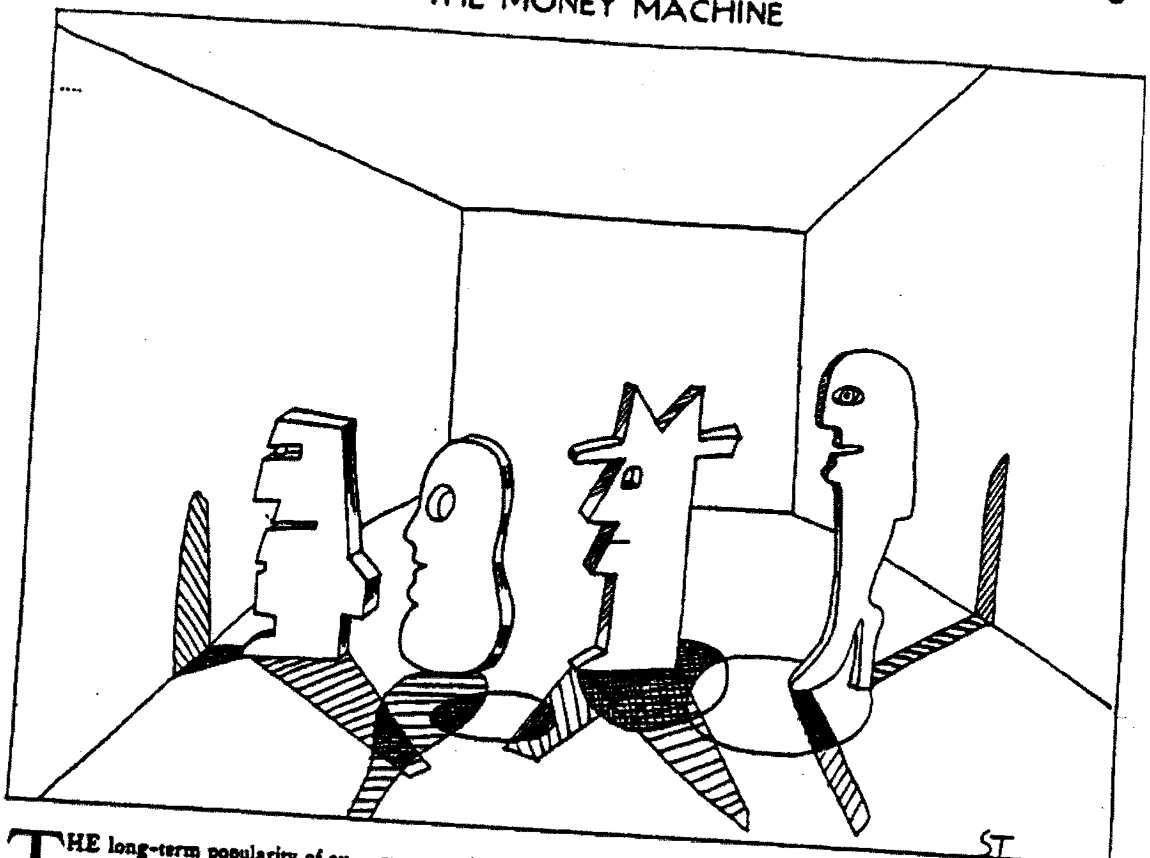
91201920

Citigroup, Inc. v. Capital City Bank Group, Inc.,
Opp. No. 91177415
Citigroup Ex. 2

The New Yorker, January 5, 1981

PROFILES

THE MONEY MACHINE



THE long-term popularity of automatic vending machines—one of the odder manifestations of our national passion for technology—has recently, as far as New York City is concerned, made a startling advance. (There is some evidence that this popularity has an emotional life of its own, apart from its logical basis in the wish to save labor; for example, in one of the oldest jokes in our popular mythology the impotent rage of the user frustrated by such a machine's malfunctioning—its intractable refusal to do what it is intended to do, and, indeed, has promised to do—is generally regarded not with the sympathy or indignation that might reasonably be expected but, rather, with malicious humor. Perversely, we involuntarily side with the machine against the person.) The vending-machine principle has now been extended to consumer banking—the daily or weekly function of depositing money, withdrawing it, and verifying one's bank balance. In February of 1977, Citibank, the second-largest bank in the world, and by common consent the one most given to technological as well as fiscal innovation, began installing what it called Citicard Banking Centers at various sites around the city, at which, at any time of the day or night, customers might deposit or withdraw money, transfer money from one account to another, and obtain relevant information about their accounts without dealing with any human being. By October 31, 1980, there were four hundred and sixty-eight such machines operating at two hundred and thirty sites, with eight hundred and seventy thousand customers using them for more than six million transactions a month, among these being cash withdrawals at an average rate of over two thousand dollars for every minute of every day and night of the year, weekends and holidays included. (An automated-banking system less sophisticated than Citibank's had been introduced on a modest scale by Chemical Bank as early as 1969, and is now in service at several dozen locations. Chase Manhattan began offering automated service last January.)

If by its nature such an extension of the vending-machine principle suggests a certain eerieness, the suggestion is well founded. On approaching a typical Citicard Center outside of normal banking hours, a user first inserts his or her plastic Citicard in a slot in the wall next to an outer door to unlock it. Having gained entrance to the interior area—usually the vestibule of a bank branch office—the user is face to face with the banking machine, which occupies one of the vestibule walls. The machine's most prominent feature is a cathode-ray tube similar to the picture tube of a small television set, and near it are a

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keyboard of twelve buttons, a slot into which the Citicard can be fitted, and other slots, for making deposits and withdrawals and getting receipts. Having started the machine by inserting his card in the proper slot, and having pushed a button to choose communication in either English or Spanish, the user finds a message displayed on the screen. In English, it reads:

> THANKS—I'LL DO MY BEST TO HELP YOU. JUST FOLLOW WITH ME STEP BY STEP. IF YOU MAKE A MISTAKE ON THE KEYBOARD, JUST PRESS "CLEAR." IF YOU CHANGE YOUR MIND AS WE GO, PRESS THE "START OVER" BUTTON WHEN IT'S LIT.
>
> NOW PUSH THIS BUTTON TO BEGIN.

Having pushed the button, which is indicated by an arrow, the user is asked by the screen whether he wants to withdraw cash, make a deposit or a payment, make a transfer between savings and checking accounts, be informed of his balance or given other account information, or get a receipt. (The lettering on the screen can be seen only head-on; looked at from an angle, the screen appears to be blank. This is to discourage an eavesdropper from reading over the user's shoulder.) If, say, the user chooses to withdraw cash, the screen asks whether it is to be withdrawn from a checking or a savings account; satisfied on that point, it inquires what sum is to be withdrawn, and gives the user a choice of buttons to push indicating various sums up to two hundred dollars. (If he wants to withdraw more than that, the whole process can be repeated.) After the user has punched out his "personal ID code" on the keyboard—a private number not recorded on his Citicard—his money, in bills, is almost immediately spewed out of a dispenser mounted above the screen, whereupon the screen asks whether or not he wants a printed record of the transaction, and, if he does, it emerges from the receipt slot.

Among the other messages that the screen can give, as occasion demands, are:

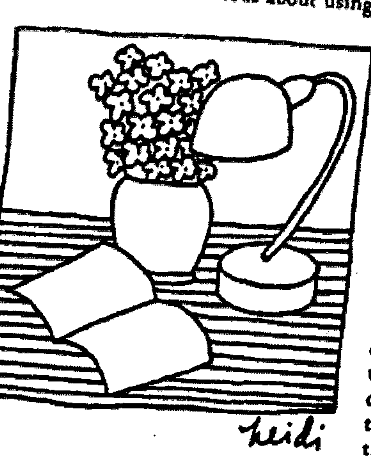
> I'M WORKING ON IT.
> JUST A MOMENT, PLEASE.
> I'M SORRY, I COULDN'T DO IT. WOULD YOU LIKE ME TO TRY AGAIN?
>
> OOPS! YOU PRESSED TOO (MANY) (FEW) KEYS. PLEASE TRY AGAIN.

And, of course—by way of acknowledgment of the machinery's imperfection—an obeisance to the old joke:

> TEMPORARILY OUT OF SERVICE.

At all times, if there is any kind of difficulty the user may pick up a "Citiphone" mounted beside the screen and discuss the problem with a real person, who may or may not be able to solve it. When all goes well, though, he deals entirely with the master computer to which all Citicard Banking Centers are wired, and he does so at a branch that, from sometime between 5 and 6 P.M. to sometime between 8 and 9 A.M., is occupied by no one at all—not even a night watchman.

The obvious weakness of twenty-four-hour fully automated urban banking—the one that a layman to the subject is inclined to bring up at first mention of it—is the danger that thieves, armed or unarmed, may lurk near the cash-dispensing site at night and systematically, perhaps violently, relieve the bank users of their withdrawals almost as soon as they have made them. On occasion, high-level Citibank officials have themselves expressed similar qualms. In 1973, before the Citicard Banking Center project was begun, James D. Farley, who was, and is, a Citibank executive vice-president, said that twenty-four-hour money machines were "too expensive, too prone to vandalism, and too impersonal." Evidently, Farley changed his mind or was overruled in the Citibank deliberations leading to the decision to go ahead with electronic banking, at a cost of more than a hundred and fifty million dollars. Today, those in charge of the centers insist that while in actual practice there have been a few robberies of Citicard Banking Center customers in the vicinity of the centers, such robberies have not become a major problem. At all events, customers have clearly been cautious about using the centers late at night; less than two per cent of the transactions so far have taken place between midnight and 6 A.M. Even so, something like sixteen million dollars a year in cash is being withdrawn between those hours.



A greater problem than the risk of robbery, Citibank officials believe, is the generalized anxiety that automated money-handling arouses in many people at all hours and in all seasons—anxiety probably not so much about being robbed as about being cheated, or not knowing what to do next, or showing ignorance and perhaps losing money by doing something wrong. To allay this anxiety, those in charge of the Citicard Banking Centers make a point of "walking" each new customer through the process of dealing with the screen, buttons, and so on before allowing him to deal with them by himself. Gary Judd, the manager of all the centers in Manhattan from Forty-second Street south, says, "Once they've been through it and done it, they're essentially hooked."

The statistics seem to bear him out, and so does a small, informal sampling of the opinions of pioneer Citicard Banking Center patrons that I made recently, simply by inquiring among my friends and acquaintances who happen to use the centers. Not everyone likes them, it appears, but almost everyone reacts to them in a curiously personal and emotional way. Those who dislike them speak not so much of confusion, danger at night, and lack of human contact as of malfunctions and nonfunctions—extensions of the familiar complaint of the person who kicks or punches a defective vending machine. Those who like them, especially people whose work schedule makes it difficult to bank during normal hours, speak with considerable warmth of how much easier their lives have been made by having access to a bank at all hours. For them, the centers have simply eliminated one of the many minor annoyances of a crowded urban life. But the striking fact is that a large majority of Citicard Banking Center transactions are made *during* regular banking hours, when the users could just as well be dealing with a live teller at the same Citibank branch or at some other bank. Apparently, they like dealing with the machine instead. That conclusion is supported by the finding of my poll that hardly any of the users—those in favor, those against, or those with mixed feelings—seem to object to the impersonality of the machine, or even to consider it particularly impersonal. On the contrary, they tend to speak of it as a sort of sub-person, whom some like and some don't but most find less demanding to deal with than a human bank teller. Citibank and its competitors, through their automated banking facilities, are, it appears, inadvertently exploring a new dimension of that profound and little-explored psychological relationship—the one between people and money.

THE banking-center idea and the manner of its realization are characteristic of Citibank as a whole. Citibank strives to be, and to a marked extent is, the quintessential world money machine. Where, for example, Chase Manhattan and Chemical Bank emphasize personal contact with the depositor in their advertisements, Citibank emphasizes the absence of it. In the little world of banking, if such a world may be described as little, Citibank is identifiable as the coolest of characters. Almost everyone agrees that it is the most ingenious and imaginative of banks. Indeed, it is something more than a bank, because since 1968 Citibank has been wholly owned by a holding company created explicitly for the purpose of owning it and now called Citicorp. (The corporate subterfuge of getting themselves nominally owned by paper holding companies has been used since the late nineteen-sixties by practically all the largest United States banks; Citibank, characteristically, was the first among them to take the step. The reason for the subterfuge is that banks in themselves are not allowed to engage in certain non-banking financial businesses, such as mortgage brokerage, while bank-holding companies, illogically, are.) Both of the current names were formally conferred in the middle nineteen-seventies, when what had previously been the First National City Corporation became Citicorp and what had previously been the First National City Bank became what it had been called informally for years—Citibank.

Actually, both the bank's old name and its new one are the wildest of misnomers, because New York City is only the historical and continuing site of the institution's headquarters and of a rather small part of its operations. It might more accurately be called Worldbank. As of October 31st, outside the United States Citicorp maintained nearly thirteen hundred offices in ninety-two countries (compared to fewer than eight hundred offices in the United States). Some sixty-five per cent of its 1979 pre-tax profits of almost nine hundred million dollars a year come from overseas operations, and it is the proprietor of about half the overseas branches of all United States banks combined. This position as the most ubiquitous of world banks derives in part from a long-standing propensity of Citibank's to expand overseas, dating back to the First World War; its well-established position on foreign soil was one of the elements that enabled it to derive maximum benefit from the huge growth of international trade and of multinational corporations that took place over the past two decades. Another element has been the aggressive, sometimes abrasive leadership of Walter B. Wriston, the chairman of Citicorp and Citibank. Wriston has a fundamentalist faith in the free market, an outspoken aversion to government intervention in banking matters, and a widespread reputation for such not necessarily bankerly qualities and habits as a strong streak of intellectuality, a tendency to call a spade a spade in public, and a fondness for wisecracking to the press. When Wriston assumed the chairmanships, in 1970, David Rockefeller, of Chase, was generally considered the leading United States banker; today, nobody doubts that Wriston is. (For a time, a month or so ago, he was thought to be President-elect Ronald Reagan's leading choice for Secretary of the Treasury, but according to transition sources he was dropped because of conflict-of-interest problems arising out of his connection with Citicorp.) In 1971, Citibank decisively passed Chase in deposits, and it has greatly increased its edge since then. Among the world's banks, it is now second in deposits only to the California-based Bank of America.

Domestically, Citibank is known above all for its innovations—technically intricate, functionally useful devices to improve the complex plumbing of national finance and, of course, Citibank's share of the profits. Probably the most important of these is the negotiable certificate of deposit, or C.D., which Citibank is credited with having made a major factor in United States banking in 1961. At that time, when interest rates were just beginning the long rise that in December brought them to record postwar levels, banks were having trouble attracting new demand deposits, or checking accounts, the main traditional source of their funds for lending, because banks were (as they still are) forbidden to pay interest on demand deposits, and individuals and corporations with large amounts of money on hand were increasingly reluctant to forgo collecting interest on it. (The no-interest-on-checking-accounts law dates from 1933; its original purpose was to help banks by relieving them of the necessity of paying high interest for deposits, and it has been kept in force partly for that purpose and partly to protect the competitive position of savings institutions. No other leading nation has such a law.) The certificates of deposit that Citibank began issuing in great quantities were time deposits, on which interest could be paid, and at more or less competitive rates; the certificate holder could not withdraw his money before a stated date, but he could sell his certificate to someone else. In effect, banks were thus enabled for the first time to buy money in huge sums rather than just wait for it to come in.

This they have been energetically doing ever since. The new Citibank system was quickly adopted by other banks, and within a few years negotiable certificates of deposit had become the major domestic source of funds for all the biggest and most important American banks.

In retrospect, the negotiable-certificate-of-deposit device seems obvious rather than revolutionary; the wonder is that no one had thought of it before. (Indeed, all banking innovations look more or less obvious in retrospect, and are essentially minor changes. As Citibank's chief historian, Harold van B. Cleveland, points out, banking is basically just accepting deposits and making loans, and for centuries there has been no major change in the handling of money. Banking, Cleveland reassuringly insists, is "a rather simple game at bottom.") Perhaps one reason no one had thought of C.D.s was that American banking had been in the doldrums in the late nineteen-forties and early fifties, what with an often listless domestic economy, with international trade hobbled by the Cold War, and with the banks themselves short on imagination because of a Depression-induced disinclination of bright young talent to enter the field of banking. All that changed dramatically in the sixties and seventies, when banks became expansion-minded, often excessively so, and hot-eyed young men and women eagerly flocked to them in search of excitement, fortune, and even a small degree of fame. Throughout this period, Citibank usually showed its competitors the way, both in aggressive expansion and in technical innovation. The day in 1968 when Citibank became the first major American bank to call into being a one-bank holding company was, in the opinion of some authorities, the most important day in United States banking history. As with the negotiable certificate of deposit, the lead was quickly followed by practically all the competition; for better or worse, the era of stodginess and ultraconservatism in United States banking ended almost overnight—replaced by the now flourishing era of aggressive, expansion-minded commercial banking.

Yet another Citibank plumbing improvement—the floating prime rate—was introduced late in 1971. The prime rate is the interest rate at which a bank lends money to its most reliably affluent corporate customers; to a marked extent, the prime rate of the biggest banks at any given time represents the nation's basic bank lending rate, and any changes in it are eagerly watched by economists and investors. In recent years, the stock market has developed a fairly consistent habit of reacting briskly to it—rising when it goes down, falling when it goes up. For years, each bank made its periodic prime-rate changes through committees acting—arbitrarily, it appeared—in closed meetings. A great deal of mystery surrounded the process, and public critics of banks, such as consumer advocates and congressmen, had long since taken to accusing the banks of fattening themselves at the expense of the public whenever they raised the prime rate a quarter of a point. By 1970, prime-rate changes at the big banks constituted a financial-world soap opera, and one in which the banks were by no means looked upon by the public as the heroes. Citibank's answer was to try to take the prime rate out of the area of policy entirely, by instituting a system of making any changes in it an automatic response to changes in the rates in other financial markets rather than a matter of committee discretion. Henceforth, the bank announced, its prime rate would bear a close relationship to the market-determined interest rate for "commercial paper"—that is, the unsecured I.O.U.s of major corporations. If rates on commercial paper moved up or down a certain amount, so would Citibank's prime rate; if not, not. (Several years later, the basis for prime-rate changes at Citibank was itself changed from commercial paper to ninety-day certificates of deposit, but the principle remained intact.) At first, the floating-prime-rate system provoked derisive laughter in segments of the banking world, as any innovation is apt to do in that world, but before long other banks were backhandedly honoring it by assigning employees to calculate when the market figures were such that Citibank was about to change its prime rate and then beating Citibank to the punch.

Obviously, the floating prime rate is a characteristic innovation of Citibank: it represents an attempt to end the soap opera, and the attendant criticism of banks, by making the setting of the prime rate almost as free from human intervention as the operation of a Citicard Banking Center. In practice, though, human intervention and the soap opera are not entirely eliminated, because Citibank sometimes deviates from its own automatic formula, usually under government pressure. It did so, for example, in the autumn of 1979, when the prime rate at all major banks rose above fifteen per cent—a figure that by traditional standards bordered on the usurious. The rate went to twenty per cent early in 1980 and even higher at the end of the year. At the end of October, when Citibank, following its formula, raised its prime rate a quarter of a point, to fifteen and a quarter per cent, Henry Reuss, Democrat of Wisconsin and the chairman of the House Banking Committee, publicly denounced the move, saying that out of concern for the national economy and compassion for borrowers the bank should have held the rate down, even in violation of its formula. Chairman Wriston immediately retorted that political pressure to keep interest rates down might well subvert the government's own efforts to control inflation. The very next day, however, Citibank seemed to capitulate, announcing that it would not raise the rate again that week, no matter what the formula called for; and the following week, when Citibank did raise the rate, to fifteen and a half per cent, it did so at a time when the formula called for a rate of sixteen per cent.

That is to say, automation of the prime rate is a partial failure; from time to time a human hand within Citibank reaches into the machinery and tinkers with it. (Indeed, the prime rate itself, though still flourishing, may be on its last legs. Last June, Edward L. Palmer, chairman of Citibank's executive committee and one of the principal inventors of the floating prime rate, said that as a result of structural change in the banking business the prime rate had become an outdated concept.) To non-bankers, and probably to many non-Citibank bankers, there is something reassuring, even faintly endearing, in seeing Citibank's march toward cold, impersonal perfection thus frustrated, and Reuss made to look like the citizen who kicks the vending machine so hard and effectively that it gives him at least part of his money back. A quite different sort of issue, and one less inclined to make Citibank appear lovable, was involved in a more recent innovation—the introduction, in September of 1979, of an advisory service for customers wishing to invest in fine art or antiques. (One other American bank, the United States Trust Company of New York, had previously begun advising a handful of its clients on investment in art, but as far as the major commercial banks were concerned art collecting was something their top executives could indulge in on their own time and with their own money.) Under the Citibank program, investment clients willing to commit at least half a million dollars, in cash or works of art, or both, may now have that "portfolio" managed by Citibank, with the advice of Sotheby Parke Bernet, the auction house. Purchases and sales are made on a purely commercial basis, just as if the portfolio consisted of stocks, bonds, or real estate. For this service, the investor annually pays Citibank one-half of one per cent of the market value of the portfolio. Until recently, the annual fee was two per cent—a fee that happens to be considerably stiffer than that ordinarily charged on a portfolio of securities or real estate.

As soon as the program was announced, two questions about it arose in the minds of many in the fields of both banking and art. First, wouldn't Sotheby Parke Bernet—which gets no fee for its advisory services to Citibank clients, and profits from the arrangement only through commissions on the transactions it makes on the clients' behalf—be tempted to take advantage of its role as adviser by palming off on the Citibank clients too many works of art out of its own inventory? Second, should works of art in any case be traded like stock certificates, with freely admitted—indeed, obligatory—disregard for artistic values? To the first, Sotheby's replies that it is used to representing both buyers and sellers in transactions, and sees no conflict of interest. To the second, Palmer not long ago gave a Citibank kind of comment. "I find [the art-advisory service] is an effort that has little downside risk," he said, without batting an eye.

OVERSEAS, where the big profits are, Citibank has for years been known not so much for its originality as for its sheer ubiquity. In Abu Dhabi, for example, it has two branches of its own and a share in three branches of Grindlays Bank, Ltd., a London-based Citibank affiliate. In Brunei, it has a branch at Bandar Seri Begawan and another at Kuala Belait. In Guam, it has a branch at Agana; in Gabon, one at Libreville. In Ireland, it has branches at Cork and Dublin; in Panama, four at Panama City and one each at Balboa, Colón, and David; in Peru, two at Lima. In Pakistan, it has branches at Karachi, Lahore, and Rawalpindi, and its affiliate, Grindlays, has branches at Karachi, Lahore, Rawalpindi, Islamabad, Peshawar, and Quetta. To say that the sun never sets on Citibank would be an understatement; in fact, the sun is always at or near the zenith over a branch or an office somewhere, the moon shining on one somewhere else.

The bulk of the overseas business consists of loans to corporations, many of which conduct operations in various nations—the multinationals. The extent to which such corporations ought to be egged on with loans or otherwise has been a topic for heated economic and political debate, but not at Citibank, where the prevailing view is that the definition of someone worthy of getting a loan is someone likely to meet the interest payments and to repay the principal on time. Multinationals generally measure up to that standard so well that they can get relatively low interest rates, so that it is comparatively hard for a bank to make money lending to them; however, to balance that factor, in multinational lending comparatively few bank officials can handle a comparatively large volume of business, and in addition to loans multinationals rely on banks for a wide range of financial services. The upshot is that Citibank derives about one-fifth of all its profits from multinationals.

In the case of what the banking business refers to as less developed countries, both the risks and the potential profits are greater. In general, a bank can make about one per cent a year more on a loan to such a country than on a loan to a multinational. It is in the expectation of such profits that Citibank is and for years has been deeply involved in what is known as L.D.C. lending; its top executives cheerfully affirm that such lending is strictly business, never philanthropy. (No wonder; Citibank makes about eighty million dollars a year from L.D.C. loans, or about fifteen per cent of all its profits.) Nor, Citibank officials insist, does Citibank finance the deficits of poor countries; rather, its loans often create the deficits, by adding large sums to the debit side of national balance sheets. Actually, the recipients of most of the bank's L.D.C. loans are not so very poor; about eighty per cent of these loans are to countries standing at the upper edge of the category, such as Mexico, Taiwan, Indonesia, and Venezuela, of which some, though industrially backward, are oil-rich, and others are on the verge of being considered industrially developed.

When the loans are to truly poor countries or to politically unfriendly ones, the situation is riskier. Citibank deposits have been nationalized in some countries (for example, in Argentina in 1973); in others, Citibank has been forced to withdraw from some of its operations because of restrictions imposed by the local government (for example, in Nigeria in 1976); and in a few cases it has made loans on which interest or principal hasn't been paid on schedule. A much-cited example of the last situation is Zaire, which in the past few years, as a result of political turmoil and economic instability, has come to the brink of national bankruptcy. Citibank officials insist that the bank has never lost a cent as a result of default on a loan to a poor country, but in the case of Zaire, for one, they can make this claim only because Citibank has been willing to renegotiate payment schedules rather than declare its loans to be in default. The bank's officials are quick to emphasize that its loan exposure of twenty million dollars or so in Zaire is a mere drop in its eighteen-billion-dollar bucket of overseas loans, or even in its eight-billion-dollar bucket of loans to less developed countries; as Wriston pointed out a couple of years ago, even if Citibank lost all of its unguaranteed-loan position in Zaire it would be out only a third of what it had to write off as a result of the failure of the Penn Central in 1970, when Citibank was caught with more than sixty million dollars' worth of Penn Central paper on its hands.

By the nature of its undertakings, Citibank has a business interest in just about everything that happens, militarily, politically, and economically, almost everywhere in the world. At its headquarters, at 399 Park Avenue, and at various other offices around the world, teams of experts daily ponder each item of international news for its immediate or longer-term effect on Citibank operations; every three months, such teams systematically analyze all the nearly one hundred countries where the bank does business and make recommendations on whether commitments should be expanded or reduced in each of them. Wriston has said that Citibank likes to have some chips in every game in town. Recently, with the hostage crisis in Iran, there has arisen the question of whether Citibank and other huge United States banks are tending to move beyond banking into foreign-policy-making—or, to put it another way, to move beyond participating in all the games to tampering with the rules. In November of 1979, President Carter, faced with an Iranian threat to withdraw Iran's deposits from all United States banks throughout the world, suddenly froze those deposits, both in the United States and elsewhere, whereupon some United States banks, led by

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Citibank and quickly followed by Chase, Bankers Trust, and Manufacturers Hanover, immediately took over enough of the frozen deposits to offset their outstanding syndicated loans to Iran, which ran into billions of dollars. In the case of a half-billion-dollar loan for which Chase was the agent, the Iranians actually tried to pay the current interest due on their loans but were unable to do so because of the United States freeze. In the view of *Business Week*, Citibank, in seizing the Iranian deposits—and in doing so without majority approval of its partner banks, both domestic and foreign, in the lending syndicate of which it was the head—"completely tore to shreds all conventional methods of lending common throughout the international banking system . . . the legal foundation for all worldwide lending." Citibank, of course, sees the matter differently, contending that the freeze of Iranian assets put Iran technically, although involuntarily, in default on the loans. Citibank, and Chase as well, contends that, given the default, it had not just the right but an obligation to its stockholders to take over the deposits in order to protect the loans. The issue is now being tested in the courts of various nations, and, of course, has recently been a crucial part of the negotiations over the American hostages.

Predictably, it is Citibank's official position that in its overseas operations it is responsive only to economic considerations. "If we behaved like a government instead of a bank, we couldn't operate overseas," says its vice-chairman, G. A. Costanzo. The principle is extended beyond political considerations to moral ones, which, to a large extent, Citibank similarly insists are not its affair. It has, for example, been criticized (along with other United States banks) for making loans in South Africa and thereby helping support the South African government's racial policies. In answering this criticism, Citibank disdains to rely on the familiar argument that withdrawing its investments in South Africa would not necessarily advance the cause of racial equality. Rather, it takes its stand on the basis of pure professionalism. As a bank, Citibank says, its sole concern is the borrower's credit-worthiness; meanwhile, as a corporate citizen of the world, with a citizen's conscience, it does everything it can in South Africa to oppose apartheid, up to but never beyond the limit of that nation's law. Needless to say, this reply does not silence the critics, and last March American church groups, led by the National Council of Churches, announced that they were withdrawing sixty-four million dollars in payroll and checking accounts from Citibank on the ground that the bank's policies made it "a full-fledged partner of South African apartheid."

Similarly, in Chile, where Citibank has operated for years—in 1972, it was forced by the government of Salvador Allende Gossens to sell its assets, but it resumed operations there in 1975, following Allende's fall—it has been accused of supporting, through loans, the current rightist regime, which has repeatedly been shown to have resorted to political imprisonment and torture. Again, the bank stands on economic criteria, insisting that if loans to Chile are to be cut off, it must be by the decision of the United States government rather than that of any privately owned bank; and, to show its consistency, it points out that it did business with the leftist Allende government.

To laymen with humanistic leanings, such icy professionalism is apt to seem callous and arrogant, even though principled in a narrow way. But then, Citibank can reply, banks by their nature *ought* to adhere to icy professionalism—an innate characteristic of theirs, by the way, that is surely part of the reason affection-craving Americans since the days of Andrew Jackson have tended to regard them with a particular hostility, reflected in the fact that this country's system of government bank regulation is by far the most complex and stringent imposed by any country. At the very least, it must be acknowledged that Citibank is faced with a modern paradox: in a time when unprecedented world trade and unprecedented business across national borders have done much to increase world affluence and, many authorities believe, to alleviate world poverty, surely a persuasive case can be made that bankers ought to push on with their banking and leave the political and moral questions to their government; there is a kind of chilly rectitude to be discerned in a huge bank's refusal to court public popularity by deviating from its determination to be, insofar as is possible, an amoral world money machine.

Even in the past few years, when the value of the dollar and the level of United States economic influence around the world have both been declining, Citibank has been able to increase its profits abroad. In the fifties and early sixties, the years of the American economic imperium, an American bank abroad was in the comfortable position of having on hand what everyone wanted and no foreign bank had enough of—dollars. Now the reverse is true; almost everyone has dollars and many would rather have something else. This feat of trend bucking by Citibank has been possible partly because of its forehandedness in having so many overseas branches already in place (and being well prepared to lend not just in dollars but in almost any currency that might be wanted) and partly, Citibank officials maintain, because their people around the world are so smart. Even the recent mad gyrations in the gold market had little effect on Citibank operations. As almost everyone knows, the price of gold—traditionally the basis of money in many parts of the world, and for roughly a century before 1970 the formal backing of the United States dollar—has been fluctuating wildly on the international markets, going from below two hundred dollars an ounce in 1978 to a high of around eight hundred and seventy-five dollars a year ago, and sometimes fluctuating as much as a hundred dollars in a single day. These gyrations caused economic prophets to see portents of disastrous world inflation, of world depression, and of the collapse of the existing international monetary order. Meanwhile, Citibank's overseas deposit levels and interest rates were not discernibly affected, and Costanzo, who is its policy chief for overseas activities, was able not long ago to refer loftily to the gold market as "irrelevant—a small commodity market that doesn't affect the basics." If the economic seers should turn out to be right, of course, Citibank's attitude would change.

In the existing situation, however, Citibank simply applied its spirit of innovation to the gold market by cashing in on increased public interest in it, and in the process chalking up one more banking first. In April of 1979, it became the first major commercial bank in the United States to offer gold certificates—with a minimum denomi-

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nation of a thousand dollars, for an initial plunge—for sale to investors. When an investor buys a certificate, Citibank buys the amount of gold necessary to cover the certificate, and stores it, in London, Zurich, or Wilmington, Delaware; storage is free for the first year, and thereafter a fee is charged. In November of 1980, Citibank became the first major bank to offer investors certificates representing silver.

IF Citicorp does get many of the smartest people on its payroll, it does so by offering them the possibility of interesting assignments and rapid promotion and by using recruitment and evaluation methods that are practical to the point of harshness. Its hiring and promotion policies, like its banking operations, are based on a fanatical belief in free competition, with all its efficiency and all its cruelty. Citicorp claims, on persuasive evidence, to be a strict meritocracy in the matter of promotions, in contrast to the long-established American banking tradition of promotions heavily influenced by family and old-school connections. In this matter, its chief exhibit is the fact that of its four top officers—Chairman Wriston, President William I. Spencer, Executive Committee Chairman Palmer, and Vice-Chairman Costanzo—two have certifiably pulled themselves up by their bootstraps. Costanzo, the son of an illiterate immigrant coal miner in Alabama, worked his way through Birmingham-Southern College and won a scholarship to the University of Virginia for graduate work in economics. Spencer, in Wriston's words, "came off a dirt farm in Colorado driving race cars and breaking horses; he came here and became president of the bank." Of himself, Wriston says, "I came out of a little town in Wisconsin, came in here stone-cold dead with nothing going for me." It may be that Wriston, who has a flair for the dramatic, pushes the point a bit hard here. The little town in Wisconsin was Appleton, where his father, the historian and educator Henry M. Wriston, was president of Lawrence College—he later became president of Brown University and a leader of the Eastern establishment—and Walter Wriston, after graduation from Wesleyan, in 1941, went almost immediately into a job with the State Department. He made his stone-cold-dead approach to National City Bank, as it then was, in 1946.

In 1980, Citicorp recruiters interviewed about fifteen thousand college and business-school graduates around the world and hired more than a thousand of them. (The interviewers were not all full-time recruiters; every year, each of the company's business groups has at least one high-potential young executive drop his regular duties and spend that year exclusively in recruiting for his particular phase of the business.) Among the institution's alluring aspects for talented officer candidates are its almost unequalled opportunities for assignment overseas—over half of all Citicorp employees work abroad at any given time—and its reputation for granting rapid promotions. One of every four officer-level employees is promoted every year, and the average age of the Policy Committee, consisting of twenty-nine of the company's top officers, hovers around fifty. Chief among the deterrents to applicants is Citicorp's well-deserved reputation for firing a significant percentage of new officer-candidate employees within their first few years of service.

Once hired, such an employee is trained in a particular aspect of the business—lending and account management, say, or systems and data processing, or money markets. The length of the training period varies according to the job and the employee's aptitude. In the corporate banking group—right up to the vice-presidential level—there is an evaluation procedure twice a year, in which both the employee and his or her supervisor fill out a sort of report card on the employee's progress in acquiring skills. Employee and supervisor do their reporting separately, and then meet to compare results, in what must often be a rather chilling session. To top that off, at least once a year each rising executive—in this case, without his participation—receives from his supervisor a performance appraisal, calculated to let him know as categorically as possible whether or not he is valued by Citicorp, and, if so, how much.

At the higher levels, appraisals are more baroque and more secret. Until a few years ago, top management maintained a color-coded list of the two or three hundred people considered the best prospects for top-management jobs. Those on the list whose names were underlined in gold were the ones most favored of all, like Abou ben Adhem in the angel's book of gold. People on the list, and especially those marked with gold, were not supposed to know it, but they usually managed to find out. (Ben Adhem learned through a vision; at Citibank, there are presumably surer means.) The color-coded list was superseded a while back by a new list of potential replacements for the holder of each of Citicorp's hundred or so top jobs; those on this list were roundly referred to as "corporate property." Again, people who were "corporate property" were not supposed to know but often did; none of them seem to have asked when or how the corporation had acquired title to them, or for what consideration. Citicorp officers say that the term "corporate property" has been officially dropped but is still used informally from time to time, and that there is a board on the wall between Wriston's and Palmer's offices, discreetly covered at any time when it might be scanned by prying eyes, that is supposed to be inscribed with the current list.

Hiring standards at Citicorp are so stringent, and promotion is such a badge of merit, that holding an important post there is ample cause for pride, or even for complacency. People in the banking world outside Citibank sometimes say that self-doubt has a small place in the typical Citibanker's makeup, and arrogance a large one. Consequently, there are those who search with unusual zest for flaws in Citibank and Citibankers, and, when they find them, seize upon them with perhaps unseemly glee. Some of the accusations are provably false, and others appear to contain truth. In neither case do Citibank and Citibankers ever lack for an answer.

Chairman Wriston, as the bank's living symbol, is a favorite target. His economic predictions—usually made in press interviews, which he freely grants and clearly relishes—are, like those of anyone else in the world of economics, often wildly wrong; for example, in 1975 he said, "I am convinced inflation is going to moderate very, very substantially" and "I don't think there is any question that the price of oil will come down. The question is how

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much and when." (In 1980, inflation and record-high, wildly rising oil prices are, along with unemployment, the nation's chief economic headaches, but, of course, Wriston can hold that the returns are not all in yet, and that, moreover, he never said he was infallible.) In 1974, a wave of *Schadenfreude* swept the New York financial community when Wriston's name, along with a number of names prominent in business or entertainment, appeared on the investor list of the Home-Stake Production Company, of Tulsa—an oil-drilling promotion that had turned out to be a particularly blatant fraud and had ignominiously gone bankrupt the previous autumn. The rumor was that Wriston had been so unwary as to invest over two hundred thousand dollars of his own money in Home-Stake and had lost it all, thereby putting himself, in the matter of investment judgment, in a category with Andy Williams, Liza Minnelli, and Jack Benny. (Wriston admits that he invested in Home-Stake but says he avoided losing any money, presumably by selling out in time.) Citicorp and Citibank are accused at intervals of various shortcomings—for example, of having played Shylock to their home city, New York, in the city's periodic financial crises over the past decade, particularly by "dumping" the city's notes during the crisis of 1974-75. (Citibank contends that it has done its best to help the city avoid bankruptcy; concerning the 1974-75 crisis, its contention is partly borne out by a 1977 staff report of the Securities and Exchange Commission which shows Citibank to have been one of the less disloyal local citizens among major New York banks at that time.) Again, in January of 1976 the Washington *Post* caused a shudder in financial circles when it reported that Citibank, along with Chase, was on a secret list of "problem" banks kept by the United States Comptroller of the Currency, as a result of "'inadequate' capital at both banks and sharp increases in assets of questionable value." (The day the *Post's* report was published, the Comptroller himself, James E. Smith, stated that the *Post* had misinterpreted some "routine bank-examiner's reports," denied "emphatically and unequivocally" that his office looked upon Citibank and Chase as "problem" banks, and added that, in fact, he considered both of them "healthy and prosperous." So Citibank apparently won that round hands down.) Yet again, in 1978 David Edwards, a former Citibank employee whose job had been that of a foreign-exchange trader in Europe, sued Citibank for fourteen million dollars on the ground that he had been wrongfully discharged, and accused Citibank of habitually conducting its foreign-exchange trading transactions in violation of the exchange-control and tax laws of several European countries. After an investigation of the matter had been conducted, Wriston noted in a memorandum to all Citibank officers, "Laws and regulations are now so prolix that arguments can be made pro and con about almost every action taken in our society. In such circumstances, it requires only a handful of cases where questions can be raised to sully a deserved reputation for integrity.... There is just no way an organization as big and as diverse as Citibank can do business around the world without occasionally failing to comply inadvertently with one or another law, rule, regulation, or official interpretation." The New York State courts rejected Edward's claims against Citibank, but meanwhile the Justice Department began an investigation of the foreign-exchange trading operations of the major United States banks, apparently as a result of Edwards' complaint—an investigation that it has since dropped.

The biggest broadside against Citibank in recent years was a report by a Ralph Nader study group, part of which was issued in 1971 and the whole of which was published in 1974 as a book entitled "Citibank," by David Leinsdorf and Donald Etra. The Nader task force, headed by Leinsdorf and Etra, two young lawyers, and otherwise composed of law students, college graduates who were not law students, and college undergraduates, approached Citibank in June of 1970. After consideration, Citibank decided to grant them interviews and access to some bank documents. Wriston explained the matter later by saying, "Nader... brought us the happy news that he had selected Citibank for a study. Now, what do you do about something like that? We perceived that [Nader] had a lot of credibility with the young men and women in this organization, that if we told him to go peddle his papers, these young people would say that the management of the bank didn't in fact have enough confidence in the way we were trying to treat people. So we invited him in. We coöperated." Over the next few months, the task force conducted more than four hundred interviews, fifty-three with Citibank people and the rest with others, and also sent questionnaires to bank customers and examined all sorts of published materials. Wriston said later that he had been widely criticized for coöperating with the group. "I took an enormous amount of flak from every corporate officer that I know, and I know quite a few," he told Gilbert Kaplan, of the magazine *Institutional Investor*, in 1975. "I'd go to a cocktail party and hear that I'd betrayed American industry." Wriston having survived both the interviews and the accusations of betrayal for having granted them, the Nader group in June of 1971 released a preliminary report in mimeograph form. Among its many accusations were that Citibank was niggardly about lending in support of residential housing and to minority-group organizations; that it routinely won most of its lawsuits by default, by arranging things so that the defendants didn't know they were being sued; that it had few women and few blacks in high positions; that it paid low salaries to low-level employees; that customer service at its branches was poor; and that its coöperation with the task force had been "very limited." Within a few days of the report's appearance, Citibank replied in a statement calling it "a painstakingly detailed and wide-ranging study which is unfortunately based on serious misconceptions about the banking system's proper role and a frightening cynicism about other people's ethics" and then making a point-by-point refutation. To an interviewer from *Newsday*, Wriston said that the task-force members "were very bright and worked like the devil" but that the report was an inferior product, showing that Nader was spreading himself too thin: "Nader is sort of a franchise operation, like fried chicken. He's got the same quality-control problem that anyone else has." Despite his air of paternal benevolence, Wriston hardened his heart. That October, when the Nader group said that it now wanted to conduct a major study of Citibank's trust activities, which had been ignored in the preliminary report, he rescinded the open-door policy, sending a memo to every one of Citibank's thirty-seven thousand employees around the world notifying them that Citibank was turning down the Nader group's request for further interviews. The Nader people went ahead with the study, mostly on the basis of out-

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side sources. When the book "Citibank" came out in 1974, it was found to include, along with the 1971 preliminary report, a long section accusing Citibank of being involved in a variety of highly improper conflicts of interest in its administration of trust and pension funds. Once again, Citibank reacted quickly and strongly. A few months later, it brought out a ninety-two-page paperbound book of its own—"Citibank, Nader, and the Facts"—with a preface in which a high Citibank official called the Leinsdorf-Etra book "a sustained march from prejudicial assumptions to predetermined conclusions," and declared, in an unmistakably aggrieved tone, "Our dominant feeling is that we were ill-used." There followed a chapter-by-chapter response to the book, along with supporting documentation.

To the Nader group's credit, it included Citibank's 1971 response to the preliminary report as an appendix to "Citibank." To Citibank's credit, throughout the encounter Wriston reacted humanly—with exasperation and at times with patronizing superiority, to be sure, but not with cold impersonality or disdainful silence. In retrospect, the whole episode seems to add up more to drama than to enlightenment—the characteristic drama of the early nineteen-seventies, with youth pitted against maturity, enthusiasm against experience, idealism against pragmatism, and, symbolically, children against parents. As for substantive matters, whether the Nader-group charges were true or false, they seem now—as is so often the case in intergenerational debates—to have been mostly the wrong charges.

A RECENT accomplishment for which Citicorp has won virtually universal acclaim—and the one that is now the company's second most visible manifestation in New York City (after the Citicard banking machines)—is Citicorp Center, the fifty-nine-story office tower, begun in 1975 and dedicated in October of 1977, that stands on the block bounded by Lexington and Third Avenues and Fifty-third and Fifty-fourth Streets. Citicorp Center immediately became not only one of the most striking features of the city's skyline but also one of the most gratifying public facilities in the midtown area.

As Ada Louise Huxtable, of the *Times*, has written, Citibank's record as a "consumer of architecture" is "admirable, if somewhat uneven." Through most of the nineteenth century, Citibank (or, to be precise, the prior institution from which Citibank arose after a series of mergers) occupied a building on the north side of Wall Street. In 1899, it bought the imposing building at 55 Wall—on the south side—whose most striking feature was, and is, its monumental frontal row of twelve Ionic columns. It served as the United States Custom House from 1863 until 1907, when the Bureau of Customs moved to Bowling Green. Citibank engaged McKim, Mead & White, the celebrated architectural firm, to remodel 55 Wall; among the changes that the architects made was to redesign the great ground-floor room along the lines of the Pantheon, in Rome, and to put up another frontal colonnade, this one composed of columns with Corinthian capitals, above the original one. The intimidating result, an epitome of pre-modern American bank architecture, served as Citibank's headquarters from 1908 (an adjacent fifty-five-story office tower was added in 1930) until 1961, when it moved to its present skyscraper headquarters, at 399 Park Avenue. The landmark at 55 Wall has recently been rehabilitated again, after a fashion. In the huge, domed old main banking room, Citibank has installed Citicard banking machines and a shiny lacquered tellers' counter complete with computers—an arrangement giving something of the impression of a Howard Johnson's set up in the Pantheon.

It is perhaps curious that when Citibank made its big move uptown it did not attempt to compete with its traditional rival, Chase, which at that time was putting up Chase Manhattan Plaza, the enormous and architecturally fairly ambitious complex just north of Wall Street that has generally been credited with doing much to keep the financial community from abandoning the Wall Street area. Instead, 399 Park is, as Mrs. Huxtable says, noted chiefly for "a Park Avenue address and speculator-level architectural mediocrity." (Some Citicorp employees say that under energy-shortage conditions it is also less than satisfactory from a practical point of view—too hot in summer and too cold in winter.) It may have been with some thought of recouping its architectural reputation that Citicorp undertook to build Citicorp Center, which from the first was planned not as a headquarters for the company—that remains at 399 Park—but as overflow office space, a real-estate investment, and a showplace.

Citicorp Center, which is entirely devoid of radical architectural innovations, is nevertheless, in a number of respects, unlike any other building in New York City, although some buildings in other North American cities, notably including Kansas City and Montreal, approach it in mood and atmosphere. Its most eye-catching feature is its wedge-shaped addition to the skyline, the building's top hundred and thirty feet having been sliced off diagonally to form a south-facing sloped area of finished metal covering half an acre. Moreover, the skin of the building—its so-called curtain wall, between the various floors' rows of windows—sets it apart sharply from the other trees in the skyscraper forest, for the skin is so reflective as to mirror passing clouds even by moonlight; and, in sunlight, is so luminous at certain hours—particularly when it is seen from the east just after dawn—as to suggest that the building would glow in the dark. At noon on a bright winter day, it floods otherwise shady Lexington Avenue to its immediate south with reflected sunlight so strong that it seems to carry warmth. Moreover, the reflectiveness of the surface is engagingly unpredictable: from some angles Citicorp Center may appear stark white against a mostly blue sky, while from others it matches the sky. The effect of these phenomena on people who are in the habit of raising their eyes above dead level as they walk the city streets has been to call forth such adjectives as "alive" and "companionable" and "dreamlike."

The body of Citicorp Center rests on four huge stiltlike piers, each nearly nine stories high, which are placed at the midpoint of each face; they frame an enclosed central core, containing elevators, fire stairs, and the like. Immediately to the east of the high-rise part of the building is the Market, which is its public area and in some ways its chief glory. Here restaurants and shops selling food, flowers, and books surround an atrium,

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ined on three sides by ficus trees, where Citicorp mounts free entertainment, ranging from Renaissance brass music to circus acts and magic shows, at a rate of about one event a day. The atrium floor is below street level; at street level, a wide balcony surrounding and overlooking the atrium contains—along with more shops—tables and chairs at which nothing is served. (When no event is in progress in the atrium, there are tables on its floor, too.) Food and drink may be carried to the tables, either from the surrounding facilities or from outside, in paper bags, but there are no waiters to make the table-sitters feel pressed to consume and move along. A second balcony level is occupied entirely by Conran's, the British housewares and home-furnishings store, which is the Market's largest tenant. Above the atrium, seven stories of open space are topped by a skylight. At least to the uninitiated eye, all that space seems to represent a sacrifice of potential office-rental income on the part of Citibank.

In any event, the effect of the entertainments, the parklike space, the greenery, the unthreatening tables, and the shops is to create the feeling of a busy, cheerful, and relaxed place—and, perhaps most remarkable in a nine-to-five business setting, one that remains busy, cheerful, and relaxed virtually around the clock. Many shops and restaurants in the Market are open until midnight and one restaurant, Richoux of London, stays open all night. Coming to the Market of a weekday midevening, when there may be fifty or sixty people sitting at the tables or circulating among them—and many of those at the tables may not be eating or drinking but simply reading or talking—a visitor has the feeling of being in one of the few indoor commercial settings in the city where business hours do not wholly set the rhythm of life, where commercial exigencies are somewhat in abeyance, where relaxation or ordinary human relations may be pursued without the expenditure of money or the display of status. Apparently, Citicorp Center's atrium will be less of an anomaly within a few years than it is now; at present, Citibank's competitor, Chemical Bank, is planning to put up a three-story glass enclosure over the plaza in front of 277 Park Avenue, where Chemical plans to move its headquarters next September, and each of several nearby skyscraper complexes now under construction—new buildings for International Business Machines, American Telephone & Telegraph, and Philip Morris, and the Trump tower building—will incorporate public space in the form of a glass-enclosed park, a public arcade, or an interior sculpture garden. As Citibank has so often started new trends in banking, so Citicorp seems to have started one in East Side Manhattan architecture.

If Citicorp Center is something of a triumph aesthetically and in human terms—and an anomalous one when considered in the context of Citibank's reputation as a harshly competitive, sometimes arrogant citizen of the banking world who is often thought to be categorically deficient in those qualities—it was a triumph not easily achieved. Merely assembling the land package, which comprises nearly an entire block, required over five years and cost forty million dollars—more than any city block in the nation had ever cost before. The assembling was accomplished, beginning in September of 1968, by the real-estate firm of Julien J. Studley, working on Citicorp's behalf in elaborately preserved secrecy as long as possible, so as not to inflate unnecessarily the prices of the many parcels involved by letting slip the name of the notoriously affluent client. As the key part of the deal, St. Peter's Lutheran Church, which stood at Lexington Avenue and Fifty-fourth Street, entered into a condominium agreement with Citicorp, and its old building was rased and replaced, at no net cost to St. Peter's, with a modern structure, made of granite and shaped like a modified cube. The new St. Peter's is a separate building and is built to specifications required by the church authorities, yet it is architecturally integrated with the rest of Citicorp Center; indeed, under the agreement St. Peter's gained considerable influence over the sort of building Citicorp would put up for itself. The new church, which includes a chapel designed by Louise Nevelson, is an appealingly modest yet handsome and self-assured building, standing dignified and at ease beside the huge legs of a giant. The medieval cathedral, of course, towered over the squat places of commerce in its town, and even nineteenth-century Wall Street was more or less dominated by the spire of Trinity Church. Admiring the new St. Peter's, one can't help thinking how our view of the fitness of things has changed now that it seems natural to see a house of God at the feet of a temple of money.

Many other property owners around the block resisted selling their plots—a bachelor who liked his town house, a canny boutique operator, a delicatessen owner, and so on—but the toughest customer of all proved to be Medical Chambers, Inc., then of 138-144 East Fifty-fourth, a stock company owned jointly by forty prosperous doctors who liked their premises, didn't need cash, and, on top of that, learned in the course of the negotiations that the prospective buyer was Citicorp. Eventually, three and a half years after the doctors had first said that they wouldn't sell, the impasse was broken—by a corporate merger between Citicorp and Medical Chambers. The terms of the merger left the doctors little cause for complaint: under it, each of them got—tax-free, unless he chose to sell out—Citicorp stock, worth around thirty dollars a share at the time the doctors moved out, for each dollar's worth of his stock in Medical Chambers.

At length, in July of 1973, Citicorp was able to announce that it would build Citicorp Center. The chosen architect—Hugh Stubbins & Associates, of Cambridge, Massachusetts, a firm that had never before designed a Manhattan skyscraper, although Stubbins and his firm were well known for such buildings as the Federal Reserve Bank of Boston and the Countway Library of Medicine, at the Harvard Medical School—came up with a plan that included the anomalous sloping roof. As originally conceived, this was not, as most New Yorkers seem to believe, an accommodation for a solar-energy plant. Rather, behind the slope were to be luxury apartments. This part of the plan was soon abandoned, however, chiefly because it was found that the zoning incentives that would make the apartments economically feasible could not be obtained. Then, with the oil boycott and the energy crisis, came the notion of using the slope as a collector of solar energy. Under the sponsorship of the National Science Foundation, a team consisting of representatives of Citicorp, Consolidated Edison, and the Massachusetts Institute of Technology was put together to study the matter. After about a year, the team reported that a solar-energy plant using the slope to the fullest extent, and providing about five per cent of the building's energy needs, would yield a poor return on in-

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vestment. Bankers can seldom countenance that particular outcome, and Citicorp thereupon abandoned—for the moment, at least—the idea of the solar plant. Meanwhile, though, the building design had been changed so that the face of the slope—which had been turned from south to west when the apartments had been abandoned—was turned back to south, where the sun is most of the time; and south, of course, is the way it now faces, ready to soak up energy if solar technology improves in cost-effectiveness and Citicorp changes its mind. Indeed, over the past two years, a new team has restudied the whole question, but with no definite results so far.

Citicorp Center has a couple of other features that are unique in local office buildings. One is a "tuned mass damper"—a great block of concrete weighing four hundred tons, placed centrally near the top of the building, and mounted on a vast complex of computer-controlled hydraulic lifts—which reduces the tower's sway in high winds by forty per cent. (There are two tuned mass dampers in the Hancock Tower in Boston, installed for the same reason.) Another near-first for New York—not quite a first, since a similar system was used in the Cities Service building, on Pine Street, for a short time some fifty years ago—is double-deck elevators. Each unit consists of two passenger cabs attached in piggyback fashion, one a floor above the other. An obvious disadvantage of this arrangement is that passengers must embark at the concourse level to go to even-numbered floors and at the street level to go to odd-numbered floors (escalators connect the two levels); another is that cabs sometimes stop when no one is getting in or out, because someone is getting in or out of the attached cab above or below. On the other hand, Citicorp engineers insist that the system makes for smoother riding, and also makes possible more trips at peak traffic periods. Not incidentally, it allows forty cabs to run in twenty shafts, thus providing for more rentable space. In any case, regular riders of Citicorp Center elevators seem to have few complaints.

Obviously, the tuned mass damper and the double-deck elevators are innovations fully consonant with Citibank's recognized banking style—futuristic, efficient, a bit coolly intimidating. Yet the over-all building—particularly its exterior and its public area—does not suggest that attitude at all. Rather, its amenities seem to make clear that in the design of Citicorp Center a company well known for its smartness, toughness, and profit orientation has been smart enough to consider human values, too. Whatever the motive, it takes courage to provide free, pleasant indoor sitting space in a huge city where hardly any exists.

CITIBANK was founded in 1812 as the City Bank of New York, the semiprivate creature of a group of merchants who were and for many years remained not just its directors but also its principal depositors and borrowers. Its dealings with the general public were minimal, not to say disdainful. Its first major leader—Moses Taylor, a nineteenth-century industrialist with large interests in railroads and heavy industry—served as its president from 1856 until his death, in 1882, and in the process succeeded in simultaneously expanding the bank and in using it to finance his personal empire. Following a period of relative stagnation under Percy R. Pyne, Taylor's son-in-law, the National City Bank of New York (as it was called after 1865) rose rapidly to become the biggest bank in the United States during the presidency (1891-1909) of James Stillman, a former cotton merchant, who came to be considered, along with J. Pierpont Morgan and George F. Baker, one of the three leading American bankers of his time. Stillman was named chairman of the board in 1909 and remained in that post until his death, in 1918. (The ultimate boss at Citibank is more often than not the chairman, occasionally the president. Current Chairman Wriston, although universally acknowledged to be the boss, speaks of President Spencer as "my partner.") It was during Stillman's last years that the National City Bank, permitted by the Federal Reserve Act of 1913 to open foreign branches, undertook the aggressive overseas expansion that served it so well half a century later. In 1914, National City opened the first overseas branch of any nationally chartered United States bank, in Buenos Aires. The following year, it opened branches in Rio de Janeiro, Montevideo, São Paulo, and Havana; and overseas expansion proceeded so rapidly thereafter that by the end of the nineteen-twenties National City was the proprietor of about nine out of every ten United States bank branches abroad.

In the twenties, National City's aggressive style probably reached its apogee, and its activities during that decade gave rise to subsequent opprobrium so scathing that it might have made a less self-assured institution want to forget about the whole period. Beginning in 1921, the bank's dominant force (first as president, later as chairman) was Charles E. Mitchell, a florid supersalesman known to economic historians as the man who tried hardest to convert big-time American banking from stodgy custodianship to snake-oil selling. National City Bank had an affiliate called the National City Company, which was allowed, as commercial banks per se were not, to sell stocks and bonds. (The Glass-Steagall Banking Act of 1933 forbade commercial banks to sell corporate securities by any means—a prohibition that specifically included selling through affiliates.) Mitchell was the head not only of the National City Bank but also of the National City Company, and he made the latter his special preserve. Through the efforts of a staff of hundreds of high-pressure salesmen stationed in dozens of cities and goaded on to prodigies of salesmanship by a system of prizes and other rewards, the National City Company pushed into the hands of the public all manner of securities, good and bad, including American stocks that the purchasers paid for, at the suggestion of National City Company salesmen, by withdrawing their bank balances from National City Bank, and some issues of foreign bonds that later proved to be totally or nearly worthless. (The National City Company may have made more money during the late nineteen-twenties than the National City Bank itself, even though the bank was continuing to expand vigorously both at home and abroad.) Mitchell was in the habit of calling the securities trade as he and the National City Company practiced it a form of "manufacturing;" the product of the "factory" was, of course, pieces of paper to be sold for money. Although none of these activities were illegal at the time, they were subject to strong public criticism, particularly after the prices of some of Mitchell's manufactured goods dropped to tiny fractions of their former value, often wiping out the purchasers' savings. Indeed, after the 1929 stock-market crash, Mitchell came to be widely thought of as one of the persons who had done most to bring it about. In 1933, he was pilloried by the Senate Banking and Currency Committee's investigation of stock-exchange practices; he resigned under pressure that year as head of the National City Bank and the National City Company (the liquidation of the

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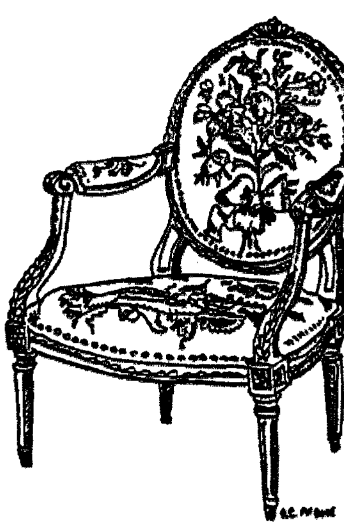
latter began the following year); and he was subsequently indicted for personal-income-tax fraud, only to be acquitted of the criminal charge. A few years later, he reached a civil settlement with the tax collectors. Nevertheless, Mitchell's reputation as one who had helped bring on the crash dogged the bank for years afterward.

Having limped through the thirties, surviving both public obloquy and the savage and repeated bank panics of that time, National City entered the postwar period as something of a sleeping giant, its good name sullied but its financial position sound and its world network of branches largely intact and open for business. In 1955, a merger with the staid old First National Bank of New York, once George F. Baker's bank, strengthened both its reputation for respectability and its corporate-lending operations, and resulted in a name change to the First National City Bank of New York. (The title has since been edited twice—to First National City Bank in 1962, and to plain Citibank in 1976.) The man whom students of the banking scene, both inside and outside Citibank, generally credit with having done most to reawaken the sleeping giant is George S. Moore. A product of Mark Twain's town, Hannibal, Missouri, Moore joined the Farmers Loan & Trust Company—soon to become part of National City Bank through a merger—in 1927, immediately after he graduated from the Sheffield Scientific School, at Yale, and only a short time before the Wall Street crash inaugurated the long era when the banking world was anathema to promising young graduates. Curiously, in view of Moore's great influence on Citibank, he never became its undisputed boss. He was chief of its foreign operations from 1957 until 1959, during the chairmanship of Howard Sheperd and the presidency of James Stillman Rockefeller (a grandson of James Stillman and a second cousin of Nelson, David, etc., who liked to call himself "the poor Rockefeller"). Moore was president from 1959 until 1967, under the chairmanship of Rockefeller; and when he became chairman, in 1967, less than three years before he would reach retirement age, he was passed over for the job of chief executive officer, or ultimate boss, in favor of Wriston, who became president at that time. Nevertheless, many hold that Moore—whom Cleveland, Citibank's historian, described as a seemingly impulsive genius with unusual animal energy and a rare, intuitive grasp of situations—did more than anyone else to create the new Citibank: the cold, dazzling, inventive world money machine. It was Moore, along with Wriston, who was chiefly responsible for reactivating the foreign business and launching it on a new wave of expansion, for setting up the feared and admired recruitment-development apparatus, and for taking the perhaps somewhat Mitchell-like leap into domestic non-banking business at the end of the nineteen-sixties. Willard C. Rappleye, Jr., a thoughtful bank-watcher of long standing who is now editor of the magazine *Financier*, says of Citibank's recent and current leaders, "Remarkable as Wriston is, it was the personality of the institution that produced Wriston, not vice versa. And one of those who did most to create the personality was Moore."

An astonishing feature of that personality is the fact that Citibank now seems quite content to include everything in its past as a part of its present. Another bank might smoothly change the subject at the mention of, say, Mitchell's name, but not Citibank. Cleveland told me recently that he considers the standard version of Mitchell's activities to be "rather grotesque," arguing that "the facts as we know them" are that Mitchell was personally honest, and even acted with a certain nobility after the 1929 crash, when he lost a fortune trying to support the bank's sagging stock by buying it with his own money. As Cleveland sees it, Mitchell's "tragedy" lies in the fact that he was "an entrepreneur who was right for a certain period, the nineteen-twenties, and who unfortunately lived into another period, the nineteen-thirties, where things were the exact opposite." Some Citibankers even insist, in good Citibank style, that their institution has always been more fearless, inventive, and aggressive than other banks, more inclined to play the toughest game possible by dint of remaining just within the existing rules; and that, accordingly, the institution in Mitchell's time and the institution now should be thought of not in terms of contrast and self-reformation but, rather, to some extent in terms of continuity.



WANTING to experience one of Wriston's famous interviews, I asked the authorities at Citibank to arrange one for me, and while I was waiting for this to happen I looked at a sheaf of clippings reporting on his previous sessions with representatives of the press, and at transcripts of some of his speeches. Among the themes he had hammered on in the speeches were the effectiveness of the free market, the damage done to it by government interference, the waste caused by the diversion of human resources from "productive work" to "government bureaucracy," and the social benevolence of the multinational corporation, which, speaking in London in 1976, he called "our best instrument for assuring the most efficient, most thrifty use of the world's resources." In Chicago in 1977, he told the American College of Trial Lawyers, "The great bulk of our population has to ignore the law completely in order to survive. . . . It is a fair bet that everyone in this room is presently in violation of some statute." (As a step toward a remedy, he suggested a constitutional amendment limiting the congressional session to six or seven months.) In New York City in 1979, he remarked to the American Society of Newspaper Editors, "The press . . . stands up for the First Amendment. But it often remains silent, or sometimes even greets with approval, the steady infringement of virtually any right that does not involve free speech." Clearly, Wriston is not afraid of bearding lions in their dens.

In the interviews, I found him just as contentious and just as provocative, though much more inclined toward banter. In one of them, conducted in 1975, he was asked for a comment on the remark of another Citibank officer, quoted in a *Fortune* article, that "Wriston walks around with a needle

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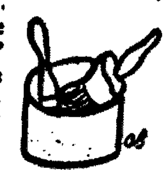
that is six inches long." He said, "I got a letter from a tailor who said he'd read the article, he's got a better needle and could he make my suits?" (For that interview, Wriston wore a Citibank tie: red and blue stripes with the Citibank insignia—a contemporary version of the compass rose—woven in.) "If you regulate an industry long enough and hard enough, its fate is bankruptcy," he pronounced in a 1973 interview. In an interview in 1970, he said, "Every bank has a distinctive personality of its own, different from all the rest;" the following year, he said to another interviewer, "There is a myth of economic power [of banks] that is just a myth, and I don't believe that you will find it a pervasive feeling among the young people of the country." (His later experience with the Nader task force may have somewhat altered his view on that point.) In 1975, he responded to the question "What do you do for fun?" by saying, "I play tennis a couple of times a week, and my wife and I run a tree farm at our place up in the country. I am a carpenter, electrician, plumber, backhoe operator, front-end-loader operator, and chain-saw operator." On more than one occasion, he declared that if he weren't a banker what he would most like to be was a newspaperman.

Eventually, my day came. I found Wriston at a circular desk in his office, at 399 Park Avenue. Now sixty-one and scheduled to remain the boss of Citibank until his retirement date, in 1984, he is a tall man with a slightly pointed face and an easy manner. Seated at the desk along with him was a Citibank public-relations man, and standing on top of it was a portable tape recorder that the public-relations man insisted on having there—because, he explained, Citibank officers' remarks to the press are often useful in the bank's internal training programs. (Because of a personal predilection, I don't use a tape recorder when interviewing people; accordingly, the quotations that follow represent reconstructions from my notes. I don't especially like to *be* aped, either, and it hadn't happened o me often before I began dealing vith Citibank.) Although the day of he interview was one of crisis in the anking world—Chase had just raised s prime rate to a record-breaking vel, and most of the other major anks, including Citibank, were to folw suit within hours—Wriston lked with me for about an hour and a half without taking any telephone calls or receiving any other visitors. He was not wearing a Citibank tie, and during my visit he made only a few remarks that could be considered wisecracks.

Here is a Wriston sampler, gleaned from our talk, and revealing—whatever else may be said—a most unusual chief executive of a mammoth banking institution.

On electronic banking: "The Citicard Center experience surprises everyone. It was expected that the 'now' generation would like them, and that senior citizens wouldn't. Everybody likes them, and the machines work. The 'down' [out-of-service] rate is less than one per cent. We invested an enormous amount of money in the centers, and we're happy with them.... The credit card and electronic banking make regional constraints on banking an anachronism. The whole system of government constraints on banking activity is crumbling at the edges.... Storing and transferring funds electronically is as important a historical development as the substitution of paper money for specie, and in hindsight this will be recognized."



On the international political power of banks, or its absence: As evidence that the weakest national government has more power than the strongest international bank, Wriston cited the fact that if he parks his own car illegally outside his apartment he pays a fine, while if a United Nations delegate from the most abjectly powerless of countries commits the same offense he doesn't. Wriston went on, "We bankers have to make our voice heard in the marketplace. As to the Iranian situation, seizing the assets owed to us was a business transaction which, incidentally, furnishes a pension for lawyers for the next hundred years or so. As for Citibank acting like a government, that's a complete myth, although some days you play Walter Mitty and wish it were true."

On Citibank management: "We have produced our top management from within our organization, while other banks have gone outside—Morgan for Henry Alexander, Manufacturers Hanover for Gabriel Hauge, and so on. The principal top-management function here is to figure out a strategic direction, in collegial consultation. Then you have to set up some sort of value system, so everyone knows what to expect."

On corporate bureaucracy: "There's no reason you can't have an innovative bureaucracy if you put out the word that fame and fortune come from rocking the boat.... Citibank is highly decentralized. New ideas rise up from the market level. We're an open society. This is not the place for the man in the gray flannel suit. I don't say it's easy to sell a new idea around here—I have as hard a time doing it as anyone else—but if you're persistent it can be done."

On his predecessors and Citibank history: "The founders of the bank used it to finance their own enterprises. By today's value system, they would all belong in the slammer." Wriston went on to say that the man who changed the bank's character in the direction of responsibility to depositors was James Stillman—"for his time and place, a remarkable man." Of Charles Mitchell, Wriston said, "He reflected the society in which he lived. He was a promoter and a salesman, and an honest man. You can question his judgment, but he was acquitted of the charge of tax fraud, and he paid back to Morgan's every dime he had borrowed to support National City stock by buying it." Nevertheless, Wriston said, Mitchell left the bank in such a condition that its "integrity" had to be restored, and this was done chiefly by James Perkins, Gordon Rentschler, and Howard Sheperd, during the Depression and in subsequent years, when "people who worked for banks were afraid to say what they did all day."

Of George Moore, Wriston said, "George and I walked a lot of miles together. He has one of the fastest financial minds of his time. His administrative skills are not so great as his financial skills. He also had the sales ability to make a lot of things happen at Citibank. He hired four times as many people as anyone said we'd need—and eventually we needed that many times four. I learned a lot from George, and just possibly it was vice versa, too." Wriston named Lewis B. Cuyler, who was Citibank's director of personnel relations from 1947 until his retirement, in 1965, as the man who in the postwar era "persuaded people on campuses that banks weren't a place to go to die."

On Citicorp Center and maximizing profits: "A place doesn't have to be ugly to be profitable. Hugh Stubbins wanted the top the way it is. As to the atrium, the concept was to integrate

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the building with the street. Could we use this block to enhance the city of New York? That was the concept; all the talk about Citibank wanting to have a building higher than the Chase's is a lot of nonsense. . . . I believe in the urban society. The great ideas have come out of cities." I inquired whether Citicorp had sacrificed potential profit from rentals by devoting so much space to the atrium. Wriston replied, "Check me on this, but I think Citicorp Center has the maximum office space allowed under the zoning laws." I subsequently did check with Arthur E. Driscoll, vice-president for corporate real estate, and he told me that Wriston had been right—and that, moreover, the prestige that the atrium and other features brought the building had enabled Citicorp to charge higher rents than it would have been able to command without them. So in the end Citicorp did *not* sacrifice profitability to other considerations in the building of Citicorp Center. One must conclude that the institution's reputation for faithfulness to the profit motive remains unblemished, and that any rumors that Citicorp Center indicates more than a mere dalliance with other values, such as beauty and humanity, are just gossip.

On economists: One of the decorative features of Wriston's office is a portrait of the sixteenth-century British merchant and financier Sir Thomas Gresham, who is remembered for "Gresham's law" that "bad money drives out good." Commenting on Gresham, Wriston said, "I think it's a good thing for finance ministers to remember his law. It still works."

Among living economists, he singled out as among his favorites the Nobel laureate Milton Friedman; George J. Stigler ("the best on the price of government's hand on the economy"); Nobel laureate Friedrich A. von Hayek ("brilliant"); and George P. Shultz, former Secretary of Labor and of the Treasury and now president of the Bechtel Group ("the finest pragmatic economist around"). By and large, of course, in the world of economics this group represents a conservative pantheon.

On his father, Henry M. Wriston, who died in 1978, at the age of eighty-eight: "Father's interest in educating his children was still strong in his eighties. The week before he died, he was still reading my speeches in advance and explaining my deficiences in grammar and logic."

On whether or not he is an "intellectual," as he is often said to be: "I don't know what that means. I know a lot of people who tell me *they* are intellectuals. If it means reading and writing, I can do that."

On whether or not he is a "Tory," which he is sometimes said to be: "I don't accept that description. I'm a liberal—that word has been depreciated, like the United States dollar. I believe that the most important thing in our society is human freedom. That's the core idea that I was brought up on. Individual liberty is the most important thing we have in this country. . . . A controlled economy usually goes with a lack of political freedom." Despite the government controls on free enterprise which Wriston constantly deplores, he feels that "no society in history has ever had the freedom that people in this country enjoy."

On current values: "Values are topsy-turvy. It boggles the mind—the transfer of personal integrity to institutional integrity. Now college students have a mixed dormitory, men live on one floor and women on the next, and they all sit around worrying about whether or not General Motors is being honest. When I was in college, it was different. We were concerned about personal values. I believe that there are no institutional values, only personal ones."

On his greatest failure as chief executive of Citibank: "In hindsight, maybe we should have been unique and realized sooner that New York City was in trouble. Early on, after our economists had told me that the numbers didn't parse, I called the two New York senators. I failed to get their attention, or anyone else's. You can make an argument that that was a failure, and maybe accurately."

On the accomplishment at Citibank that he is proudest of: "We've got a management team, a group of people around the world who work together as a team. I didn't do it, but I had a part in it. At the end of a day, that's what makes a difference." —JOHN BROOKS

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Citigroup, Inc. v. Capital
City Bank Group, Inc.,
Opp. No. 91177415
Citigroup Ex. 1

Citibank

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Citibank, 1812-1970

Citibank, 1812–1970, is the most comprehensive history of a major American bank yet produced. It is also the first study to reveal in detail the activities of a leading bank in the dynamic years after World War II. Because Citibank has been close to the center of our banking system for more than a century and a half, its story is more than a history of an individual enterprise. It provides invaluable insights on the evolution of American banking and American business. The authors have skillfully placed the critical decisions of strategy, policy, and operations within the broader economic and institutional context.

The authors analyze in precise and dramatic ways the transformation of the bank from a personally run to a professionally managed enterprise, a change that was central to the growth of managerial capitalism. Particularly poignant is the description of the frustrated hopes of Frank A. Vanderlip, Citibank's first modern salaried executive, to reap entrepreneurial rewards comparable to those of his predecessor and mentor, James Stillman.

This book was written from within; both authors are executives at Citibank, and Thomas Huertas is a trained economic historian. Executives will find in their descriptions of the nature of

(continued on back flap)

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Isidor Straus Professor of Business History
Graduate School of Business Administration
George F. Baker Foundation
Harvard University

Citibank
1812–1970

Harold van B. Cleveland
Thomas F. Huertas

with
Rachel Strauber
Joan L. Silverman
Mary Mongibelli
Mary S. Turner
Clarence L. Wasson, Jr.

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Editor's Introduction

This history of Citibank is a landmark in the writing of business history. Its story spans more than a century and a half, during which the mercantile bank established in 1812 became by the outbreak of World War I one of the nation's most influential commercial and investment banking houses and then in the 1920s diversified into still other financial activities. After surviving the trauma of the Depression and meeting the challenge of World War II, the bank again became an innovator in banking procedures and strategies. This study is the first to review in depth several of the most significant post-war developments in American banking.

Because Citibank has been at or close to the center of the nation's banking system for many decades, its story is more than a history of an individual enterprise. It provides invaluable insights into the evolution of American banking and indeed of American business in general. The authors have skillfully placed the critical decisions made by senior executives about strategy, policy, and operations within a broader economic and institutional context. The reader has an unparalleled opportunity to observe and analyze the changing activities and functions of investment and commercial banking within the United States; to appreciate the nature of competition between banks for the business resulting from these functions; and to follow the close and constantly changing relationships of the bank with state and federal agencies, which from the beginning defined and enforced regulations that set limits on the activities and operations of American banks.

In addition this book describes and analyzes in precise and dramatic ways the transformation of the bank from a personally run to a professionally managed enterprise. Few other business or economic histories explain so well this transformation, which was central to the evolution of modern managerial capitalism. The adjustments required at all levels by this essential transformation are carefully described. Particularly revealing, for example, is the description of the frustrated hopes of Frank A. Vanderlip, the bank's first modern salaried executive, to reap entrepreneurial rewards comparable to those of his predecessor and mentor, James Stillman.

The authors are successful in illuminating these fundamental changes in American financial and business institutions because they perform so well the tasks of the business historian: they describe and evaluate the decisions that shape the destiny of the enterprise in terms of the situation—the issues, problems, and alternatives—facing the senior decision makers at the time when action was taken. The reader sees how the personalities, biases, and talents of these executives affected the bank's responses to the constantly changing external environment. Nothing was foreordained. With different actors the story would have been different.

The book is a landmark for still another reason. It is a scholarly study written from within the corporation itself. The authors and their staff work for the bank. Both authors are experienced bank executives, and Thomas Huertas is also a trained economic historian. Together with their staff they share a knowledge of banking, business, and economics. As insiders they know the business as few outsiders can. Each step of their work and each page of the manuscript was reviewed by a committee of outside specialists—Professors Vincent Carosso of New York University and Richard Sylla of North Carolina State University in banking history, Anna Schwartz of the National Bureau of Economic Research in monetary history, Stanley Engerman of the University of Rochester in economic history, and myself in business history. The close relationship between the authors and the members of the committee provided a significant learning experience for all involved, and one that certainly strengthened the final product. Such an approach to the writing of a company history permits its executives to understand better their present situation. Thus Citibank itself will reap rich rewards from its enlightened attitute toward its own past. At the same time this history provides information and insights otherwise not available to scholars or the general public about major developments in American business and financial history.

In its comprehensive scope and its skill in illuminating the nature of choice and change in a large bank, *Citibank, 1812–1970*, sets a standard for all future works on this vital industry.

Alfred D. Chandler, Jr.

Foreword

History is the story of people, the organizations they create, and how those institutions cope with the constantly changing challenges of society. All of America's institutions were newly minted in the aftermath of its revolution against the most powerful nation in the world. The founding fathers broke with the current economic dogma and turned away from the mercantilist system that was so pervasive in Europe, opting instead for a market-oriented economy. Such an open economy requires financial institutions that can grow and adapt to the requirements of a dynamic country.

Citibank became one of those financial institutions. Indeed, Citibank is one of the few private institutions that have survived since 1812, through wars and panics, through good times and bad, while steadily building and maintaining a position of leadership at home and abroad. Located in what has turned out to be the financial center of our country, Citibank has been involved in one way or another, in one degree or another, with almost all of the major events in our country's history. And, in a larger sense, it is accurate to say that very few significant events occurring in the world do not have an impact on some of the bank's customers and therefore on its business. Like all institutions that flourish over time, the bank was and is driven by its customers' needs. These requirements are never static. New technologies, ranging from the steam engine to the microchip, produce new businesses and destroy others. As industries rise and fall, many new companies arise, prosper, and then decline as their products become obsolete or they fail to adapt to changing markets and value systems. Of the hundred largest companies in 1900, many that were leaders in that year no longer exist today. In the financial services business, of the original fifty-two banks that founded the New York Clearing House Association in 1853, twenty-two had disappeared entirely by 1910.

Not only are Citibank's customers changing, but so are the needs of each generation of customers. Governments at home and abroad continually alter the ways in which they finance their nations' development. Many countries, our own included, have changed from international debtors to international creditors and back again. That cycle will be repeated in the future. Old colonial empires have disintegrated, and new countries have appeared at such an astonishing rate that there are now almost two hundred nations in various stages of development; each has its own culture and its own financial requirements. New and varying methods of capital finance appear almost daily as old instruments are found to be no longer equal to the task. As economic development proceeds, consumers constitute a growing and more demanding sector of many economies around the world.

The revolution caused by the convergence of computers with telecommunications has moved the global marketplace from yesterday's rhetoric to today's reality. The effect of this revolution on the world of trade and finance is profound, and its consequences are still unfolding. We know that it will continue to call forth new responses to opportunities that are still hidden in the future.

Walter B. Wriston

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Introduction

This book is a case study of a consistently successful business enterprise, Citibank. Founded in 1812, it emerged in the 1890s as the largest bank in the United States. It has remained at or near the top of the financial services industry ever since.

Lasting success in business is rare. A firm rises to prominence by exploiting an attractive opportunity. But success provokes competition and induces new firms to enter the industry, eroding the initial advantage. In addition, the firm's market may stop growing, or the political climate may deteriorate. Activities once tolerated or applauded may later be perceived as improper or antisocial, provoking regulation that limits the firm's profitability and growth. Each of these factors tends to push the firm back toward the industry norm.

To succeed in the face of such eventualities, the firm must have a strategy that keeps old markets profitable and points the way to new ones. It must carry out the strategy in a manner that maintains the firm's legitimacy in the eyes of its principal constituencies—owners, employees, customers, regulatory authorities, and the general public. The firm's profits must be seen by each of the constituencies as a just reward for its effort.

The qualities that enable a firm to thrive decade after decade may be called entrepreneurship. Yet a modern business enterprise with its complex internal division of labor and its hierarchical structure, with ownership separated from management, can easily become rigid, bureaucratic, complacent. Incentives may weaken, or managers may direct them to their personal ends. To remain successful, the firm must learn how to induce managers to behave as entrepreneurs, not for their own account, but for the firm's. In short, it must institutionalize entrepreneurship. As Citibank's former chairman, Walter B. Wriston, put it, "there is no reason why you can't have an innovative bureaucracy if you put out the word that fame and fortune come from rocking the boat."[1]

Choosing and executing winning strategies over a long period of time both form and reflect an institution's character, that is, its values, its traditions, its established ways of seeing problems and opportunities and of responding to them. That character comes from the firm's leaders, particularly the leaders in its formative years. Their values become its values, their policies its traditions. The corporation cannot escape the consequences of this inherited culture, with its particular combination of strengths and weaknesses. Knowledge of the firm's history is therefore of practical value to the executive. To know the history is to understand the kind of things the firm is likely to be able to do well and what it might best avoid trying to do or be.

Knowledge of the firm's history in its environment is also valuable to the executive because history is vicarious experience. Major business problems are hardy perennials; they recur in patterns and sequences that are recognizable to the imagination trained by the study of relevant history. Business history is also a story of encounters with the unexpected. Political turning points, wars, revolutions, nationalizations, and shifts in public sentiment about business have happened often before and will happen again. So, too, will periods of unusual good feeling, prosperity, expansion. Knowledge of the firm's history teaches the executive to be wary of the assumption that tomorrow will be like today. It opens his mind to the probability of the unexpected. "History must be our deliverer," Lord Acton wrote, "not only from the undue influence of other times, but from the undue influence of our own, from the tyranny of the environment and from the pressure of the air we breathe."[2] Business history, then, is a resource for strategic planning. Executives who know history will be better able to make it.

For society at large, business history serves a wider purpose. It deepens understanding of the modern corporation, the dominant form of nongovernmental organization in our society. It explains how the political and economic environment influences the firm and how the firm influences society. In these respects, a case history of Citibank is of considerable interest. Banking has always played a central role in the economy, and Citibank has played a leading role in banking. Size has been only one measure of its leadership; all through its history the bank has been a pioneer. It has been first, or close to it, in adopting the innovations that have shaped modern banking. It has figured prominently in the political process determining the regulation of the financial system.

The elements of banking have not changed since Citibank opened its doors in 1812. Banking was then, as it is now, primarily the business of managing risk. Banks are intermediaries; they bring together savers and investors. They buy assets suited to the preference of investors and sell liabilities suited to the preferences of savers. In doing so, banks make economic life more calculable and predictable both for savers and for investors. For rendering this service they earn a profit.

Banking takes three main forms, which differ in the legal liability and attendant financial risk the bank assumes. In investment banking, the bank is a wholesaler or retailer of financial claims. It acquires securities from the investor for resale to the saver. The bank bears the financial risk, until the securities are sold; thereafter, the saver bears the risk of loss and reaps the reward. In trust banking the bank agrees to administer and invest the saver's funds, assuming a trustee's special legal responsibility in return for a management fee, which may vary with the performance of the client's portfolio. In deposit or commercial banking, the bank acquires claims on investors for its own account and issues its own liabilities or deposits to savers. In important respects such as liquidity, yield, risk, and maturity, the liabilities issued differ from the claims or assets acquired. Thus, a commercial bank does not merely trade in financial claims or manage them for a client. It transforms them, assuming for its own account the risk involved.

To do any of these kinds of banking profitably, a bank needs detailed information about the preferences and financial condition of its clients as well as a knowledge of general financial conditions. Once acquired, this information can be used repeatedly, thereby spreading the cost of acquiring it over many services and allowing them to be sold more cheaply. There is, accordingly, a tendency to combine the three kinds of banking into a single institution. A bank that does so will also be able to serve customers in ways more specialized banks cannot. Because a fully integrated banking firm offers a wider range of services, it can take a more disinterested view of the relative merits of each service from the customer's standpoint and can offer him sound financial advice along with the means of following it.

Commercial banks also differ from other banks and financial institutions in that they issue liabilities—demand deposits and, until 1935, bank notes—which are used as means of payment. The service of providing a means of payment involves the commercial bank in a business distinct from and subordinate to the business of managing risk. We may call it the transactions business: the business of executing payments from one party to another. The bank is compensated for this service by explicit fees or through deposits for which it pays a lower than market rate of interest. In providing this service the bank generates information about a customer's financial condition, information that is useful in assessing his creditworthiness and in selling him other financial services. The bank's cost of producing transactions is accordingly a joint cost, and the bank realizes economies by combining its two kinds of business—risk management and transactions—in a single organization.

Because they are in the transactions business commercial banks are subject to a special regulatory regime; bank notes and demand deposits are money, and governments have always regulated the creation of money. In fact, regulation affects nearly every aspect of a commercial bank's activity. Historically in the United States, regulations have determined where a bank could operate, what services it could offer, to whom it could offer them, and at what price. Further, regulation has not been static. It has changed over time, especially in response to the major financial crises of 1837, 1907, and 1929–33. The resulting rules have reflected a compromise among the banks and their constituencies, each seeking to promote its own self-interest.[3]

Regulation therefore looms large in the determination of a bank's strategy. It sets limits on the choices open to the firm and its competitors, limits that an aggressive bank inevitably seeks to test and to remove. Thus, a certain amount of political activity has always been part and parcel of the business of banking. Like firms in other industries, particularly other regulated industries, banks have fought for competitive advantages in the political as well as the economic marketplace.

Within the changing limits of its franchise, Citibank has evolved from a small mercantile bank to one of the world's leading financial institutions. This is in large part a reflection of the bank's emerging internal culture. At the core of that culture is the institution's view of itself and of the proper scope of its business. First defined by the bank's early leaders, this self-perception was succinctly expressed by George S. Moore, the bank's president from 1959 to 1967 and its chairman from 1967 to 1970: "If it's financial, we do it."[4] From this central idea there flowed a strategy of providing comprehensive financial service, a decentralized structure to carry it out, and an aggressive, innovative style.

Westlaw.

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CHICAGO TRIBUNE

November 3, 2006

Section: Business

Citibank sits on top in bank call center survey

Becky Yerak

In a mystery-shopping survey of 15 banks' call centers, Citibank and Bank of America were among those who did the best job handling inquiries about opening accounts or applying for loans, while Washington Mutual and JPMorgan Chase were among the most passive.

On average, banks asked for the business of the caller 48 percent of the time, and thanked them for calling 71 percent of the time.

High achievers included Atlanta-based SunTrust, which asked for callers' business 89 percent of the time and thanked them for calling 96 percent of the time.

Middling performers in the survey included Fifth Third and National City.

O'Connor & Associates, a Ponte Vedra Beach, Fla., research firm, conducts the survey of national and regional banks twice a year, monitoring each institution 100 times over 30 days. Mystery shoppers complete a 24-question, yes-or-no form in seven areas of service, including customer rapport, professionalism and product knowledge.

A bank with one of the lowest scores points out that the study measured call centers' effectiveness in trying to sell products, not necessarily in serving customers' needs.

"Consumers interested in our products tend to come into our branches where bankers are trained to find the right product to meet their needs," a Chase spokeswoman said. "Our call center workforce is more focused on resolving issues or addressing the needs of existing customers who might call in."

HOT WHEELS: Would the owner of the 1992 Oldsmobile Cutlass please keep an eye on the vehicle?

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Opp. No. 91201920
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CITI 0008908

OPP001438

That General Motors car was among the 10 most stolen in Illinois in 2005, according to "Hot Wheels," a study by Des Plaines-based National Insurance Crime Bureau.

The study examines data from the National Crime Information Center and determines the vehicle make, model and model year reported stolen the most in 2005.

Rounding out the top 10 in Illinois: 1991 Toyota Camry; 1995 Chevrolet van; 1992 Ford Taurus; 1994 Dodge Caravan; 2004 Chevrolet Cavalier; 1989 Chevrolet Caprice; 1990 Buick Le Sabre; 1991 Honda Civic; and 2000 Dodge Intrepid.

Nationally, 1,235,226 vehicles were reported stolen in 2005, 2,625 fewer than in 2004.

The Midwest, however, reported a 0.4 percent uptick in vehicle thefts, to 225,519.

Using the FBI's average valuation of $6,173 per stolen vehicle, about $7.6 billion in vehicles were lost in 2005.

Nearly two-thirds of stolen vehicles were recovered last year.

MORE PRIVATE: Chicago-based PrivateBancorp Inc. plans to acquire Midwest Financial Services Corp. as part of an effort to establish a presence in Kansas City, Mo.

Private said it has entered into an agreement with a group of commercial and private bankers to establish the institution, which will be called PrivateBank-Kansas City. It's the second expansion in recent months by Private, which caters to more affluent customers. In August, it announced plans to enter the Atlanta market.

At a William Blair & Co. market trends conference last month, analyst David Long noted that Private is active in lending to private businesses and is also trying to capture more wealth-management business. Private is well-positioned to enter one new market a year, primarily in middle America and the Sun Belt, he said. Private also has operations in St. Louis, Milwaukee and Detroit, and is expanding in the Chicago market.

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byerak@tribune.com

COLUMN: INSIDE FINANCIAL SERVICES

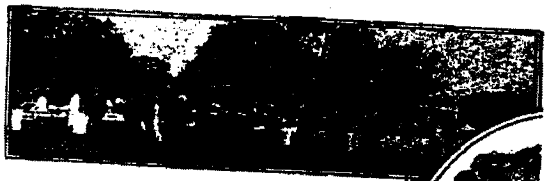
---- INDEX REFERENCES ----

COMPANY: WASHINGTON MUTUAL INC; GENERAL MOTORS CORP; WASHINGTON MUTUAL; SUNTRUST BANKS INC; PRIVATEBANCORP INC; MIDWEST; WILLIAM BLAIR AND CO LLC

NEWS SUBJECT: (Business Management (1BU42); Sales & Marketing (1MA51); Customer Service Management (1CU78); Major Corporations (1MA93))

AMERICA'S GREATEST BANK IS ONE HUNDRED YEARS OLD

Important Part Played by the National City Bank, During Its Century of Activity, in the Financial Affairs of This Country.



Entertainment at President Vanderlip's Country Home to Celebrate the Bank's Centennial.

Moses Taylor, One of the Bank's Most Progressive Presidents

New Headquarters of the National City Bank in Remodeled Custom House Building.

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The New York Times
Published: June 23, 1912

Chairman George S. Moore put Citibank into a holding company.

Vice-Chairman Thomas R. Wilcox sees "services" key to the future

Vice-Chairman J. Howard Laeri laid plans for reorganization.

FINANCE

Why Citibank is more than a bank

In a sweeping reorganization, the nation's third largest bank forms a holding company that will enable it to diversify. But critics are pressing for federal controls

If a systems designer were to sit down and plan a civilization from scratch, he might very well dump all financial functions into one species of giant service corporation, and then get on with designing other segments of the economy.

But without any such master planner, the splintered U.S. financial industry has evolved over two centuries into an unimaginable variety of companies for every conceivable service. However much men have dreamed of creating one, there has never been a total-service financial institution.

The nation's most progressive commercial bankers, though, are now going to try. This year, 50 banks have turned themselves into one-bank holding companies—vehicles that skirt federal restrictions on bank diversification and open the way for bankers to venture into entirely new businesses. More banks will soon follow suit. Indeed, the movement toward holding companies is the most daring enterprise that the banking world has ever undertaken.

Heading the trend. Because bankers wield enormous economic might other segments of the financial community and the financial regulators are watching the trend very carefully. The questions they are pondering are intriguing ones:

- Will bank equities soon become volatile growth stocks with towering price-earnings ratios—especially as more banks shift from the over-the-counter market to listings on the New York Stock Exchange?
- With all their financial muscle, will banks ruin other businesses competitively?
- Does banking's free-wheeling style today presage an economic disaster, as it did in the late 1920s?

Though numerous banks are joining the trend, no single bank is being watched more closely than the innovative and aggressive giant that has taken over the leadership of the new movement—First National City Corp. of New York. Under Chairman George S. Moore, 63, and President Walter B. Wriston, 49, Citibank is creating the concepts and setting the styles that other banks will emulate for years to come.

"What we want to do," says Moore, "is to supply every useful financial service anywhere in the free world that we are permitted by law and we can perform at a profit."

Raiders' heyday? One-bank holding companies will certainly give headaches to stodgier, old-fashioned bank managements. For one thing, old-line bankers are likely to be left in the lurch by the competition. For another, banks that don't avail themselves of obvious growth opportunities will attract attention from outsiders.

A wave of bank takeovers may be the next fad among conglomerate operators, who are currently picking up finance companies. "All the raiders are sniffing around banks now," says a mutual fund manager. David Rockefeller, when asked whether he was still the largest stockholder in Chase Manhattan, of which he is

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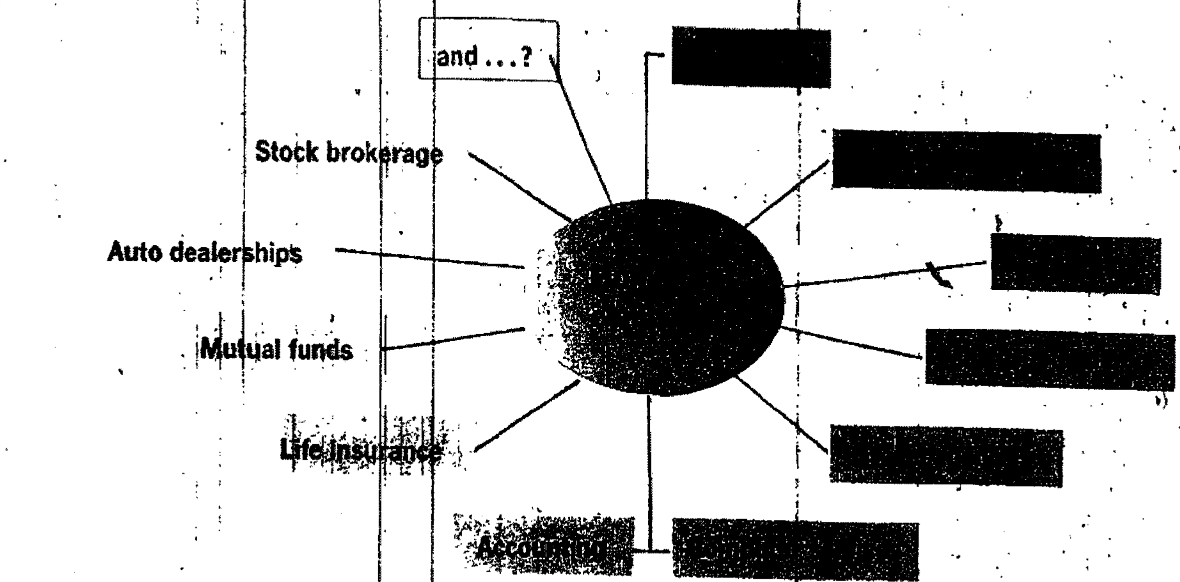
OPP001524

How far can bank holding companies go?



president, recently quipped: "I don't know. I haven't looked in the last hour."

Bank with a flair

Citibank wasn't the first one-bank holding company; Union Bancorp of Los Angeles holds that title. Nor is it the biggest; San Francisco's Bank of America has also transformed itself into a one-bank holding company. Chase, which still hasn't gone the holding company route, listed on the Big Board three years before Citibank did.

Citibank has always shown a distinct flair for doing things differently through all its long history. Though its present form was created by a merger of First National Bank and National City Bank in 1955, its roots go back to 1812 and to founder Colonel Samuel Osgood, the first U.S. Postmaster General. In 1928, when most commercial banks lent only to elite corporations, Citibank made its first installment loans and literally invented retail banking—a business most banks are in today.

Pioneer. In 1961, Citibank pioneered the negotiable certificate of deposit—an instrument that revolutionized banking by allowing banks to compete for funds in the money market. And, the high cost of CD money forced banks to seek higher-yielding loans and investments. Two years ago, Citibank originated the Eurodollar CD to tap the pool of dollars on deposit in foreign banks. This sort of imagination has made Citibank highly profitable: Its annual earnings growth has averaged 10% over the past five years, against the industry average of 8%. In 1967, Citibank earned $4.22 per share, up 7.1% over 1966. Nine-month earnings this year are running 14% ahead of the 1967 pace.

Internationally, Citibank was one of the first banks to spread out overseas. For all its size ($18.7-billion in assets and $15.7-billion in deposits), it is still only third in the U.S. behind Bank of America and Chase. But when it comes to international banking, First National City is second to absolutely no one.

Citibank also has kept stretching the limits of orthodox banking activity. It is an equipment lessor. It has its own travelers check. It still has its own bank credit card but is shifting to the nationwide Master Charge system. When the stock market began to lure deposit money away a few years ago, Citibank brought out its own mutual fund (though today the fund is snarled in litigation and can't take any new money).

New frontiers. Now the question is, where next? Citibank doesn't intend just to devise a new banking service or a new kind of loan. Clearly, the one-bank holding company is a product of the expanding definition of just what banking and the services related to banking are. Indeed, Citibank managers from Moore and Wriston on down spend much of their time finding startling new ways to see their business.

Among the ideas that pop up in their conversations: "Our job is selling airplane tickets to Cairo instead of bills of exchange"; or, "our job is to help people spend money, not to save it."

Way-out services

Traditional multibank holding companies have been around for years as a device to circumvent laws against branching in some states. One-bank versions have been around, too, but they do not come under the 1956 Bank Holding Company Act (which puts multibank companies under the jurisdiction of the Federal Reserve Board), because heretofore they have been merely nonbanking ventures—corporations, labor unions—that happened to own a bank.

Citibank, of course, remains under regulation, but its new parent, First National City Corp., is free to move into insurance, for instance, or into the brokerage or underwriting business, or even auto rental. In theory, it could go into nonfinancial services—retailing, and manufacturing—though, like most of its rivals, it insists it won't do that.

But if Citibank's aim isn't exactly to get out of banking, it most cer-

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G. A. Costanzo's overseas division is larger than any other bank's.

tainly intends to fashion a new kind of bank. "The president of a bank," says Wriston, "always had to have the ability to lend a buck and get it back. He had to know how to read the fine print. There's a need for a different kind of bank management today . . . good administrators who don't necessarily read the fine print . . . people who deal in broad concepts." Other managers at Citibank also have been bending the ear of securities analysts and other bankers about theories of how a bank should operate.

Multi-bank concept. As part of Citibank's new look, Vice-Chairman J. Howard Laeri has been reorganizing the bank into five separate "banks" based on the services they provide rather than on regional divisions. Conceivably, one day, these "banks" could be split off under the new holding company structure:

- The "corporate bank," which had been divided among regional vice-presidents, will operate as a single division dealing with big business nationwide, and headquartered in New York. This involves much shifting of people on practically every corporate account in the bank, and since much of this business is based on personal relationships built up over the years, making the moves without losing the business is an extremely ticklish job.
- The "commercial bank" will go after the business of small corporations—one of Citibank's weaker areas. This division will probably include branch offices in New York City business areas such as Seventh Avenue, the Main Street of the fashion and garment industry.
- The "retail bank," consisting of the branch offices for dealing with the public, will give branch managers more authority over branch activities and loans. A weakness of Citibank's former organization was that branch managers and loan officers all had to report back to different bosses at the bank's Park Ave. headquarters. Decentralized control in this area, Citibank feels, will allow branches to move faster on opportunities in their neighborhoods or towns.

There will also be a division for the bank's trust department. Finally, there will be a division for the bank's far-flung international operations.

Global role. Citibank, of course, already has cut quite a swath in international banking. In 1955, it had 65 branches or offices (including offices of affiliates) in 23 countries. Nowadays, it has 264 offices in 65 countries. This includes 173 branches, one representative office and three military banking facilities. It either owns or has an interest in banks in such places as Canada, Honduras, Morocco, and other African countries. It also operates the First National City Overseas Investment Corp., based in New York, which does equity investing abroad.

Mostly, Citibank operations abroad involve financing international trade and providing capital to the big multinational corporations. Now it means to spread out more overseas. "The first phase," says Executive Vice-President G. A. Costanzo, head of the "overseas bank," "that of putting branches along the trade routes of the world, is reaching maturity. We now look to penetrate domestic markets."

At retail. Citibank already is trying to go into retail banking abroad. It has a 50% interest in FNCB-Waltons Corp., Ltd., one of Australia's leading finance companies, and an 86% interest in National City Financial Trust, Ltd., which does an installment and mortgage lending business in Britain. Argentina recently allowed it to go into the personal finance business there.

Citibank also has set up a subsidiary in Belgium to sell international bond issues to foreign investors and a subsidiary in Switzerland that provides investment advisory services.

For all its expertise in international finance, Citibank can stub its toe, and badly. A most spectacular example came in 1965, when a foreign exchange trader in Brussels got too deeply involved dealing in sterling—far beyond the bank's own trading limits. That cost the bank a staggering $8-million after-tax loss. Still, as Costanzo puts it, "We don't

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just do things like that very often."

Like other banks, First National City has been slower than industrial corporations to adopt modern management techniques. Five years ago, it had no long-term plan for growth, let alone a way of telling how much its services cost to perform.

"Citibank," says one analyst, "doesn't exactly lead the banks in knowing one's own costs. Irving Trust is ahead of them beyond a doubt and probably Bankers Trust, too."

Crash program

Lately, Citibank has been in a crash program to set up budgeting and planning throughout all levels of the bank and to develop a "management information system" that keeps track of costs and revenues of every service—down to how much profit each individual generates.

This new approach to profit has allowed the bank to alter banking's age-old attitude toward employees. "Bank employees are not economic slaves," says Robert W. Feagles, senior vice-president for personnel. "We've replaced cradle-to-grave security with plenty of incentive to get ahead." Every supervisor in the bank has a black, loose-leaf binder filled with photographs of his subordinates, assessments of their abilities, where they've traveled, what special projects they've completed, and what positions they might qualify for two, three, and five years hence. Those black books enable Citibank to match the job with the man anywhere in the world.

Indeed, Citibank finds it has to give its people free rein because a single manager can't possibly have all the expertise that's needed to keep innovations flowing into every area the bank is in. "The president of General Motors doesn't have to know how to fix a flat," as Wriston puts it—but he has to know someone who does. Wriston says that he and Moore spend two-thirds of their time on personnel problems.

"Young men today aren't worried about money," says Moore. "They're worried about the problems of the world. And we tell them banking is the best place for them to be. We deal directly with the world's problems, the balance of payments, urban problems, economic growth, trade and economic developments."

That sort of pitch goes over beautifully at the Ivy League schools where Citibank recruits most heavily. One year, it hired more Harvard Business School graduates than any other single company. The Old-School-Tie-ism runs deep, but there

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Robert L. Hoguet runs trust bank and a controversial mutual fund.

are some unusual variations. The bank once sent one of its page boys—Thomas R. Wilcox—to Princeton; he is now a vice-chairman.

Lowering the bars. At the other end of the ladder, when it found it wasn't getting enough people from ghetto areas, Citibank threw out requirements for a high school education and now hires people who never finished the seventh grade. The proportion of minority group members on the bank's payroll jumped from 12.7% to 21.2% in the past two years and continues to climb.

Besides setting up a job-training program for Spanish-speaking employees, Citibank has joined community organizations to work with ghetto youth, and it recently opened a training school for hard-core unemployed in lower Manhattan.

A matter of economics

If banks can do so much just as banks, why should they want to turn into one-bank holding companies?

Simple economics is what makes a big metropolitan bank like First National City eager to diversify. Citibank's assets are not plant and equipment but other people's money. Perhaps 75% of Citibank's income comes from "dealing in its debts"—that is, the orthodox banking activity of borrowing money from depositors, relending it, and profiting from the spread in interest rates.

Competition. Not only is there little growth left in that activity, but other people's money can be downright capricious. Banks must compete for money not merely with other financial institutions—savings and loan associations and mutual

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savings banks—but also with a whole range of money market instruments.

Smart corporate cash managers tend to keep their demand deposit balances at a minimum in order to play the shifting yields of bank time deposits, Treasury bills, commercial paper, and repurchase agreements. Banks are limited by Federal Reserve regulation as to what they can pay for money; so when interest rates go up, funds simply flow away from the banks and right into the money market.

When a bank does lose deposits it has to start turning away customers that want to borrow money. That is what happened during the credit crunch of 1966—and it taught bankers a lesson. Even when things don't get that bad, the competition for funds adds to the bank's expenses and thus squeezes the bank's spread.

One answer has been for banks to push into new fields—into retail banking and into credit cards. In this way, the banks have tapped new sources of funds from further down the economic ladder—and by going into retail banking they can make loans at higher rates.

Restrictions. As for putting its assets to other uses, banks have long been hampered by regulators. The thrust of bank regulation is to protect depositors and control banks' power to create credit. Thus, the emphasis since the bleak years of bank failures in the 1930s has been on restriction: There are geographical restrictions on branching, functional restrictions barring entry to other businesses, and financial restrictions on the amount of loan money out in relation to capital.

Even where bankers contend that legislation is permissive—allowing them to acquire companies of "a financial, fiduciary or insurance nature" under the 1956 Bank Holding Company Act—the regulators have kept tight rein.

The Federal Reserve is particularly nervous about where one-bank holding companies might lead. When Congress convenes next year, the Fed is expected to propose legislation bringing the new creatures under some kind of control. The bankers have already formed a lobby group to fight, and it promises to be a titanic battle.

What's intriguing is that the banks may find numerous industrial giants on their side. If the Fed can get jurisdiction over the parent of a bank subsidiary, it may find itself regulating all manner of diversified corporations. For example, Xerox Corp. is acquiring CIT Financial Corp., which in turn owns a bank. Will the Fed regulate Xerox? **End**

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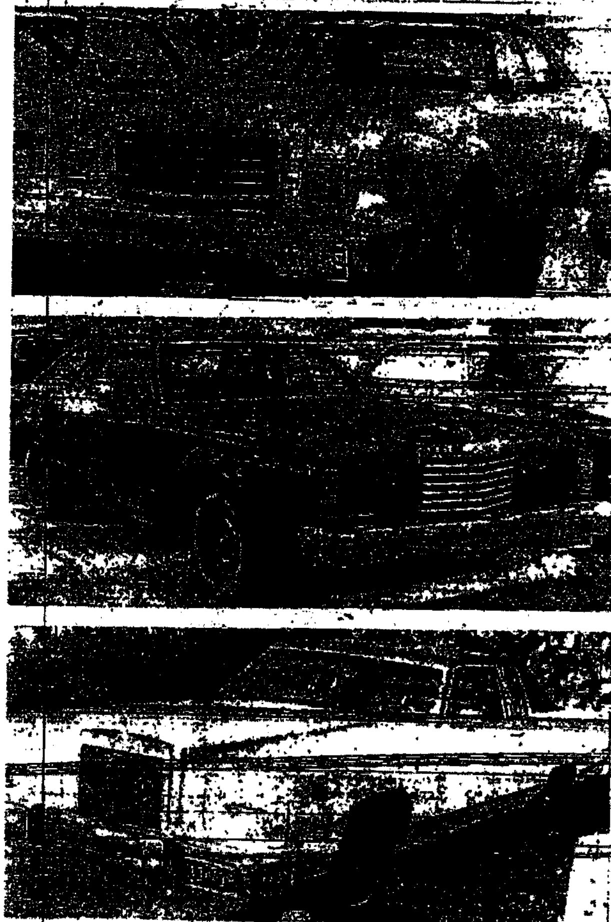

United Press International

NEW MODELS—Three 1977 Ford Motor models recently photographed in Deerfield Beach, Fla., are, from the top, the Ford LTD II, with an intermediate-sized body; the Thunderbird, also intermediate-sized: and the luxury Lincoln-Continental.

Optimism Runs High In Egypt's Oil Search

By Thomas W. Lippman
Washington Post Foreign Service

CAIRO—The most intensive search for oil in the Middle East is under way in Egypt, and optimism is running high after recent strikes in the Gulf of Suez.

Already producing a small oil surplus since the recovery of the Sinai oilfields from Israel last year, Egypt has set a production target of one million barrels a day by 1980, of which about 700,000 would be for export. American and European oilmen here say it is probable that Egypt can meet that goal and perhaps even surpass it.

While this will undoubtedly be beneficial for the country's woeful economy, it hardly represents a bonanza that will bring Egypt the level of riches enjoyed by its Arab neighbors.

One million barrels is slightly less than the normal daily production of, say, Abu Dhabi, which has only 235,000 people, as against Egypt's 38 million. It is less than half of Kuwait's normal output.

Only about half the money raised from the sale of Egyptian oil abroad would go to Egypt because the international companies prospecting here are working under agreements that require them to put up all the capital costs of exploration but allow them to recover that money, plus operating expenses and a profit.

Petroleum Minister Ahmed Ezzedin Hilal has said that Egypt expects to earn about $360 million from oil exports this year and that earnings should increase to about $1.4 billion by the end of 1980 if the production target is met.

But those figures must be measured against existing foreign debts estimated at $10 billion or more and an annual balance-of-payments deficit of about $6 billion.

"We can't say that the oil will resolve our problems," said a Cairo petroleum writer. "The common people have the habit of thinking we will be another Saudi Arabia. It's part of our problem that we can't fulfill those expectations."

Diplomatic analysts say that the current development of the oil industry here has political as well as economic significance. The government is expected to seek bids soon from potential prospectors to explore areas of the Sinai Peninsula that Egypt does not now control.

Since these contracts could not take effect unless Egypt were to recover the sites from Israeli occupation, the lure of potential Sinai oil is seen by some analysts as a strong incentive for Egypt to do whatever is needed to get back the rest of the Sinai.

A decision in 1972 to solicit new exploration by foreign companies has been implemented with unusual speed. Thirty exploration agreements covering concessions from the Libyan frontier to the Red Sea have been signed in the past 29 months.

"You can imagine the effort to get 30 agreements in 29 months," said Ibrahim Radwan proudly. He is agreements manager for Egyptian General Petroleum Co., a partner in every exploration and production enterprise.

Among the companies that signed up to explore and paid more than $78 million in "signature bonuses" for the privilege were such American oil giants as Mobil, Esso, Continental, Atlantic-Richfield, Standard of California, and companies from France, West Germany, Italy, the Netherlands and Brazil.

Many of them are only beginning the actual drilling required by their contracts. Results in the Mediterranean and the Western desert have not been encouraging, oil industry officials say, but prospects are bright in the Gulf of Suez.

"We tried for years to interest the companies but never could because of fears of war and lack of investor confidence," Radwan said.

The oil companies have agreed to spend as much as $602 million in their search over the next eight years. Their representatives here say they would not have made such commitments unless they had some reason to think Radwan is right.

Diplomatic sources quote Petroleum Minister Hilal as saying that Egypt can produce a million barrels a day for 40 years. But oil executives say such estimates can not be relied on until the results of the current explorations are analyzed over the next two years.

Name Change to Citibank Becomes Official Today

From News Dispatches

NEW YORK, Feb. 29—As of Monday, it's "Citibank," not "First National City Bank."

The nation's second largest commercial bank has announced an official name change to Citibank and said the new name will be appearing at all its bank branches in 103 countries over the next 18 months. The bank's president, William I. Spencer, said the change came because over its 164-year history customers preferred to call the bank Citibank.

"As you've been saying, the name is Citibank," Spencer said in a letter to the bank's customers.

Citibank was incorporated in 1812 as City Bank of New York under state charter. The name was changed to National City Bank when it took a federal charter in 1865.

In 1955, after absorbing several other fairly large banks during its long history, Citibank merged with the prestigious First National

[...]fficials Plead Innocent [...] to Test Home-Stake Charges

[...]SA, Feb. 29 (UPI)— [...]ding they will test the [...]itutionality of the [...]es, the founder of the [...]e-Stake Production Co. [...] five other officials of [...] defunct oil firm have [...]ed innocent to federal fraud [...]

[...]bert S. Trippett, [...]der and former presi[dent] of the firm, issued his [...] Thursday during ar[raign]ment in U.S. District [Cour]t for conspiracy to de[fraud] investors and to al[lege] mail fraud in connec[tion] with the financing of [Home]-Stake oil develop[ment] programs.

[...]o pleading innocent to [...] former senior vice president; Norman Clarence Cross Jr., outside auditor; Harry L. Fitzgerald, executive vice president; David C. Davies, senior vice president; and Elmer H. Kunkel, treasurer.

Attorneys for the six told District Court Judge Allen E. Barrow they intended to attack the constitutionality of the indictment returned Feb. 20 against the Home-Stake officers.

The arraignment followed by one day the dismissal of charges in Los Angeles against former Home-Stake officials. U.S. District Court Judge A. Andrew Hauk dis-

[...] officials also were charged in Tulsa.

The government contends the defendants collected more than $40.8 million from 1968 to 1970 to develop oil and gas properties in Southern California and Venezuela and spent about 30 per cent of the money as "window dressing" to create the appearance of a legitimate oil and gas venture.

CITI 0002382

Citigroup Inc. v. Citiair, LLC
Opp. No. 91201920
Opposer NOR Ex. 506

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CITIBANK

Retail banking—the job that got John Reed the top job at Citicorp—is rapidly becoming the only job that matters at the nation's largest commercial bank. ■ *by Robert E. Norton*

CITICORP, that 30-foot python among U.S. banking companies, is midway through a substantial skin-shedding. The pluperfect money center bank is molting into a mass merchandiser of financial services. In the first quarter of 1987, consumer business accounted for 59% of Citi's $2.8-billion revenues, up from less than 30% ten years ago when Chief Executive John S. Reed, then an executive vice president, was betting his future on consumer banking. For the past five years consumer revenues have been growing 30% a year, three times as fast as the wholesale banking side, which lends to corporations and governments. If the trend continues, virtually all Citicorp's revenues will come from consumer banking within 15 years.

The "individual bank," as Citi calls its consumer operations, has grown bigger than any other U.S. bank save BankAmerica. One of every five families in the U.S. does business with Citicorp. Already the biggest purveyor of bank cards and student loans, Citicorp last year became the biggest originator of residential mortgages, lending $13 billion. The dollars charged on the company's Visa, Diners Club, and MasterCards amount to 1.41% of total U.S. retail sales.

"Citicorp is the only money center bank with a big position in regional retail consumer banking, and it's not being given any credit for it," says John B. Neff, portfolio manager of the Windsor Fund. Neff began buying Citicorp stock about two years ago and now holds six million shares, 4.4% of the total. But Wall Street in general either hasn't noticed the degree to which Citi has coiled itself

Richard S. Braddock, *who runs consumer banking at Citicorp, relies on lieutenants who learned their trade, as he did, at General Foods, selling everything but bank services.*

PHOTOGRAPHS BY JOE MCNALLY

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around the consumer or is too worried about the bank's share of Third World debt to care. At its recent price of $55 a share, the stock was trading at an unenthusiastic eight times earnings, a little higher than the multiples of most other money center banks but well below those of fast-growing regional banks.

But is the consumer business profitable? At long last yes, but still nowhere near as profitable as Citicorp has been promising. The consumer bank's return on assets for the first quarter of this year was a mediocre 0.56%. Citi claims its return would actually be a much higher 0.72% if accounting rules did not force it to set aside too many reserves for potential losses on consumer loans. Even so, 0.72% is still below Citicorp's own target of a 0.80% return on assets and considerably less than the 1% rate of return many banks achieve. The additions to reserves—which are charged against current earnings—are based on actual losses in recent years. Citibankers expect consumer loan losses to decline over the next couple of years, and if they are correct, reported returns should move up smartly.

Meanwhile, the raw profits generated by the consumer bank are noteworthy. In 1980 Citicorp executives told a skeptical financial community that they aimed for corporate profits of $1 billion a year by the mid-1980s, with $200 million coming from consumer banking. At the time, total profits were about $544 million and the consumer business was losing money. They have made good their boast: Citicorp passed the $1-billion mark last year, with the consumer business contributing about $351 million.

Citicorp's ambitions for the consumer bank remain gargantuan. By its measure of the proper loss reserves, Citicorp's consumer bank earned $462 million last year, and Richard S. Braddock, the smooth 45-year-old who runs the individual bank, says it will be earning $1 billion within several years. Braddock chooses his words with the care that befits the man who was in charge of the credit card business back in the late 1970s, when it was reeling from the back-to-back debacles of enormous bad debts and a spike in interest rates that put the bank's cost of funds well above the interest it was permitted by law to charge customers on unpaid balances. That was an experience he likens to "being shot dead twice." Thus riddled, Braddock is leery of promising more than he can deliver, and he insists the $1-billion estimate is conservative. Two consumer businesses—credit cards and Citibank's New York City branch system—are each earning more than $100 million now, and Braddock counts several others—interstate and international banking, domestic and foreign private banking, mortgage lending, and insurance—that he says will reach that mark within five to seven years.

BUT MAINTAINING that 30%-a-year growth in revenues while boosting return on assets is a daunting assignment. The spread between Citi's cost of funds and the interest it charges its credit card customers, for example, has been enormous, although credit card loans are only 20% of the bank's total consumer loan portfolio. Now rising short-term interest rates are pushing up the bank's cost of funds and narrowing the spread. Competitive pressure could squeeze the spread from the other side as well by forcing Citi to reduce its charges on unpaid balances. Other big New York City banks have also discovered the consumer, making it more costly for Citicorp to increase market share. Since January the bank has had to raise the interest on some of its certificates of deposit by 30%, which finally set off a rate war last month. And when Citicorp reaches across state lines for customers, some very powerful regional banks stand ready to rap its knuckles.

Citicorp's prescient push into consumer banking has put it well ahead of the competition in mastering the art on a large scale. Says Edward E. Furash, a Washington, D.C., bank consultant: "A couple of things set them apart. They've had the resources to play the long game, and they've recognized what all bankers need to recognize—that consumer financial services are sold, not bought."

Citicorp's consumer bankers are old hands at selling things that need to be sold, from ersatz orange juice to dog food for aging canines. Braddock spent nine years at General Foods before joining Citicorp in 1973. He was the product manager for Tang, the powdered drink whose sales soared along with the Apollo astronauts who carried it into orbit. Two of Braddock's chief lieutenants are also General Foods alums, and another began his career as a computer systems analyst. Says Braddock: "All our recruiting starts from the view that we are a different business from a traditional bank. The skills required to

Pei-Yuan Chia *may be the only New York banker who calls loan losses a cost of goods sold.*

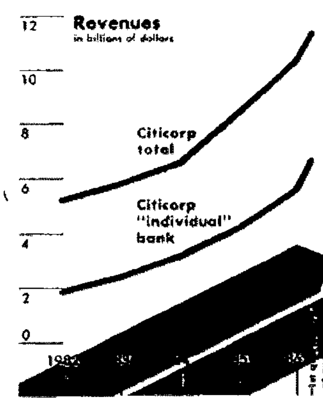
OPP004563

Quick pit stops *for cash are the idea behind this Citistation, which will test whether suburban America really needs more places to bank. The first one is scheduled for Florida this fall.*

use them for more than half their banking transactions, about double the industry average. Citicorp began investing in ATM technology a decade before many of its peers. It bought a California engineering and software company called Transaction Technology Inc. in 1971 and created a mock bank buried in the basement of a New York office building. The sole function of this facility, dubbed "the lab," is to test new products and services. By 1977, when Citicorp was ready to deploy its ATMs on a large scale, the machine it used was TTI's sixth-generation prototype. The first five were designed, built, tested in the lab, and scrapped.

Questioning and observing customers in the lab helped Citicorp solve such mundane design problems as how high the machine's keyboard should be and how hard the buttons should be to press. The object, according to Lawrence Weiss, chief of the consumer bank's development division and another marketing man (Hungry Jack pancake mix at Pillsbury, Cycle dog food at General Foods), was to be sure the machine did not intimidate customers. Most ATMs communicate brusquely with their users, commanding them to INSERT CARD NOW. But Citicorp researchers found that this type of message, while popular with the technicians who designed the machines, frightened away all but the most gadget-prone depositors. What customers warmed to was a friendly teller, a woman teller. People prefer female tellers, says Weiss, and they want one who is "always cheerful, competent, happy in her job, and ready to blame herself for any problem." The machine was programmed with the syntax of this paragon, christened Suzy by the researchers. To this day, Suzy's chipper "May I help you with something else?" flickers across the cathode screen.

Competitors grudgingly admit that these ten-year-old ATMs are still better than any others on the market. But they aren't good enough for Citicorp. The bank is replacing them with a new model that has vastly greater capabilities but is just as easy to operate. It looks like the older machine but has a larger, touch-sensitive screen that displays images in full color and replaces real buttons with pressure-sensitive ones. The new machines will soon display the image of an oversize typewriter keyboard on the screen, enabling a customer to write a complaint or enter an address change. Three of the new



Citibank, Consumerbank

The retail business is growing three times faster than lending to companies and countries.

ATMs take up the same space as two of the old, and when the changeover is complete later this year, Citicorp will have 1,000 in the New York City area.

Braddock and his lieutenants are trying to duplicate their New York success all over the country. No doubt they hear in their heads Sinatra singing: "If I can make it there, I'll make it anywhere . . ." That isn't possible, they have concluded, unless Citicorp has a physical presence virtually everywhere. So even in a world of prohibitions on interstate banking, the bank that never sleeps keeps finding ways to stay awake in unlikely locales.

THANKS TO THE CARNAGE in the thrift industry, Citicorp has been able to buy failed savings and loan associations in other states. Citicorp Savings of Illinois, formerly known as First Federal of Chicago, turned a profit last year, just two years after it moved to the Citi. Its 60 branches constitute the largest network of any Chicago financial institution. In recent months Citicorp Savings has opened half of all the new checking accounts in the city. In 1982 Citi bought an S&L in Oakland, California, and two years later one in Miami; both are just breaking even now. To give the California S&L more muscle, Citicorp plans to add 50 branches to the existing 90, and further expansions are likely soon. Braddock predicts that the three S&Ls will collectively earn $100 million a year by 1992.

As interstate barriers continue to fall—so far six states allow New York banks to do business, and 11 more will welcome them in the near future—Citicorp's boardinghouse reach is likely to get longer. But strong regional banks are not likely to let the Citi slicker eat their lunch. Indeed, Braddock considers the regionals to be his most serious competitors. "As in any other consumer market, there will be national and international players who have good share positions, but they certainly won't erase the local competition," he says.

Citicorp will have to count on its selling and technological expertise to gain an edge. One current experiment offers a hint about what that edge may look like. The folks in Citicorp's lab have concluded that suburban America, having used up all the intersections of Main and Elm, still doesn't have enough places to bank. Behold the Citistation, a new creation (actually a re-creation of the familiar gas station) that will enable Mr. and Ms. Suburbia to bank on the off ramp. Citistations will have from three to ten lanes. Only one will be manned for technophobes

OPP004564

with flesh-and-blood Suzys; the others will be equipped with ATMs that rise and fall to the height of the customer's car window.

If Citistations don't click, they will be canceled faster than Chia's deadbeats. "Failures are part of the landscape if you're trying to change things and grow," says Braddock. And when you are trying to break into a new market, some of the failures can be messier than others. For example, $100 million of the individual bank's $1-billion loan losses last year came from mobile home loans, most of them in Texas. At one point the bank owned 4,700 mobile homes it had foreclosed on. Bankers trying to break into a new market tend to grab business by cutting interest rates or going after riskier borrowers. Says an unfazed William J. Heron, who runs the consumer bank's U.S. operations: "Our guys in Texas weren't sure which to do, so they did both."

TO REACH HIS GOAL of $1 billion in earnings by 1992, Braddock is counting on extending his reach internationally as well. The consumer bank has more than 1,000 offices in 40 countries, and the overseas business produced more than $100 million in profits last year. New additions included a small British life insurance company and nine new branches in Argentina. Yes, Argentina. Lending pesos to the locals is solidly profitable despite the problems that the country has paying interest on its international debts on time. Private banking is another candidate for that $100-million club. This, the latest craze among banks and brokerages, is a frustratingly fuzzy category. In Citi's case it means serving the whims of people who borrow so much or deposit so much that they generate at least $5,000 a year in revenues. Citicorp already has more than 50,000 such clients and figures there are another four million or five million of them around the world. The U.S. mortgage business should hit the $100-million mark this year.

Citicorp's stockholders are hoping that all this good news will ultimately translate into equally happy tidings for them. The company's total return to investors over the past ten years is 10.9%, making it No. 73 among the 100 largest commercial banks in the U.S. But don't expect the stock to zoom right away. Eleven years ago, in a memo to subordinates, John Reed may have put his finger on the reason Citicorp still isn't getting any respect. "It should be pretty clear," Reed wrote, "that we are creating . . . a fundamentally new business." And Wall Street always frets that pioneers do all the learning for the benefit of their competitors. ❑

COMPANIES TO WATCH

Pain Suppression Labs Inc.

A headache killer?

■ Some of America's canniest investors have bought large stakes in this company and the three that follow. Greenmailer Saul Steinberg discovered Pain Suppression Labs after the father of one of his associates found a cure for his migraines using the company's patented device. Last December, Steinberg paid $2.5 million for 8.3% of the New Jersey manufacturer at $1.25 a share, with an option to purchase another 7.1% at $2, just above its current price. Pain Suppression's gizmo emits a slight current that spreads across and under the skin and seems to stop pain signals from reaching the brain. Support for management's claims could come by early 1988, when Abbott Labs completes a double-blind study of Pain Suppression's product. Fiscal 1987 revenues were a pittance, $2.1 million, and losses about $1.1 million. But the by-prescription-only machine costs a mere $50 to make, according to one security analyst, and retails for $650 to $800. And the company has more than enough cash to finance growth for the next three years, according to new President Jack Donovan. A former migraine sufferer himself, Donovan explains how he was cured: "I got a divorce. Effective but much more expensive than our product."

Intertan Inc.

■ In February three bargain-hunting money management outfits quietly scooped up 27% of the common stock of Tandy Corp.'s international division, which had been spun off to the public on January 2. The Baupost Group took 8.17% for $8.3 million, Harris Associates bought 13.7% for $13.2 million, and Mutual Shares paid $5.1 million for 5% of the Fort Worth company's shares. Tandy gave its overseas counterpart of the Radio Shack retail chain to shareholders, management intact, because its computer and electronics stores in Europe were losing money. But the Australian and Canadian divisions, which account for 68% of Intertan's revenues, average 9% net profit margins. In the quarter ended March 31, sales rose to $133 million, and profits were $1.8 million, up 751% from a year before. Intertan common sells at about the company's book value per share, $15.90; erstwhile parent Tandy, by comparison, currently sells at almost 2½ times book.

CJI Industries Inc.

■ Nelson Peltz and Peter May, who with acquisitions built Triangle Industries into a $2.7-billion-a-year enterprise, now intend to construct another company out of the bankrupt Central Railroad of New Jersey. The partners have already folded two companies into CJI that earned $3.6 million in 1986 selling $179 million of vending and coin changing machines. But CJI still needs to swallow a big fish with fat earnings if it's to exploit a $90-million tax-loss carry-forward. The plan: Buy a leading manufacturing company in a stable market with competent management and good cash flow. CJI has raised around $325 million to finance the deal. But the money is not burning a hole in Peltz and May's pockets quite yet. Says May: "It took us three years to find the companies for Triangle. We are patient."

Tosco Corp.

■ Last December, when the Tisch family bought $27.5 million of Tosco debentures, which are convertible into 8.8% of the common stock, Wall Street reconsidered its low opinion of the independent oil refiner. Misadventures in oil shale and refining overcapacity in the U.S. almost pushed the company into bankruptcy in early 1986. No longer mucking about in shale, the streamlined company owns and operates a modern refinery in Avon, California, that makes unleaded gasoline. Its latest quarterly results show $11.2 million of net income compared with a $101-million loss a year before. —Brett Duval Fromson

THE 100 LARGEST COMMERCIAL BANKING COMPANIES

RANK 1986	RANK 1985	COMPANY	ASSETS[1] $ THOUSANDS	DEPOSITS $ THOUSANDS	RANK	LOANS[2] $ THOUSANDS	RANK	NET INCOME $ THOUSANDS	RANK
1	1	**Citicorp** (New York)	196,124,000	114,689,000	1	129,206,000	1	1,058,000	1
2	2	**BankAmerica Corp.** (San Francisco)	104,189,000	82,205,000	2	71,783,000	2	(518,000)	100
3	3	**Chase Manhattan Corp.** (New York)	94,765,815	66,002,844	3	65,154,782	3	585,363	3
4	5	**J.P. Morgan & Co.** (New York)	76,039,000	42,960,000	5	33,783,000	9	872,500	2
5	4	**Manufacturers Hanover Corp.** (New York)	74,397,389	45,544,277	4	55,264,518	4	377,189	7
6	7	**Security Pacific Corp.** (Los Angeles)	62,606,000	38,408,000	8	43,586,000	5	385,900	6
7	6	**Chemical New York Corp.**	60,564,123	39,054,910	7	38,756,475	6	402,431	5
8	8	**Bankers Trust New York Corp.**	56,419,945	29,535,520	10	28,610,057	10	427,912	4
9	9	**First Interstate Bancorp** (Los Angeles)	55,421,736	39,457,006	6	33,987,675	8	337,934	8
10	13	**Wells Fargo & Co.** (San Francisco)	44,577,100	32,992,800	9	36,037,100	7	273,500	11
11	10	**First Chicago Corp.**	39,147,996	27,024,943	11	24,825,398	11	276,202	9
12	11	**Mellon Bank Corp.** (Pittsburgh)	34,499,370	21,647,152	13	23,034,755	13	183,253	18
13	14	**Bank of Boston Corp.**	34,045,409	21,724,988	12	23,624,992	12	232,764	14
14	12	**Continental Illinois Corp.** (Chicago)	32,809,000	18,032,000	16	20,207,000	14	165,200	20
15	15	**First Bank System** (Minneapolis)	28,012,000	16,261,000	22	14,640,000	19	202,900	15
16	23	**NCNB Corp.** (Charlotte, N.C.)	27,472,434	18,519,315	15	15,528,982	18	198,765	16
17	32	**First Union Corp.** (Charlotte, N.C.)	26,820,240	17,003,549	21	13,799,947	22	274,347	10
18	24	**SunTrust Banks** (Atlanta)	26,165,455	21,284,007	14	16,642,080	16	245,118	12
19	16	**Marine Midland Banks** (Buffalo and New York)[4]	24,789,596	17,418,418	20	18,420,839	15	144,944	27
20	20	**Irving Bank Corp.** (New York)	24,232,521	15,327,955	24	13,793,148	23	128,107	30
21	28	**Bank of New England Corp.** (Boston)	22,472,935	17,676,987	18	15,965,000	17	171,803	19
22	26	**PNC Financial Corp** (Pittsburgh)	22,198,930	14,315,971	28	12,397,404	29	237,382	13
23	18	**MCorp** (Dallas)	21,887,000	17,492,000	19	14,560,000	20	(82,000)	96
24	21	**Norwest Corp.** (Minneapolis)	21,539,400	14,099,800	30	13,033,900	26	121,700	32
25	31	**NBD Bancorp** (Detroit)	21,176,031	15,011,323	26	11,151,316	32	145,805	26
26	17	**RepublicBank Corp.** (Dallas)	20,944,300	15,997,462	23	14,482,029	21	53,969	63
27	27	**Bank of New York Co.**	20,708,850	15,112,849	25	13,569,292	25	155,218	24
28	34	**Barnett Banks of Florida** (Jacksonville)	20,228,949	17,736,767	17	13,692,107	24	157,495	22
29	22	**Texas Commerce Bancshares** (Houston)	19,192,000	14,139,000	29	12,696,000	27	20,000	92
30	35	**Citizens & Southern Georgia Corp.** (Atlanta)	18,757,413	14,026,053	31	11,572,829	31	155,848	23
31	29	**First Wachovia Corp.** (Winston-Salem, N.C.)	18,689,550	13,780,612	32	11,583,289	30	193,780	17
32	19	**InterFirst Corp.** (Dallas)	17,986,000	14,878,000	27	12,565,000	28	(326,500)	98
33	33	**Republic New York Corp.**	17,464,897	10,797,367	36	4,260,435	72	135,560	28
34	36	**First Fidelity Bancorp.** (Newark, N.J.)	15,170,304	12,054,723	33	8,938,839	37	119,543	33
35	46	**Sovran Financial Corp.** (Norfolk, Va.)	14,952,156	11,610,599	34	9,797,520	33	147,956	25
36	38	**CoreStates Financial Corp** (Philadelphia)	14,595,402	10,636,974	38	9,610,831	34	123,601‡	31
37	37	**National City Corp.** (Cleveland)	14,107,259	10,427,356	39	8,956,440	36	134,953	29
38	53	**Hartford National Corp.**	13,879,294	10,778,917	37	8,108,087	39	114,000	34
39	30	**First City Bancorp. of Texas** (Houston)	13,681,179	11,045,079	35	9,576,847	35	(401,962)	99
40	40	**Banc One Corp.** (Columbus, Ohio)	12,661,767	10,195,497	40	8,403,864	38	164,738	21
41	39	**Southeast Banking Corp.** (Miami)	12,468,984	9,555,874	41	7,375,027	41	86,522	40
42	41	**Midlantic Banks** (Edison, N.J.)	11,873,756	9,033,834	43	7,885,236	40	112,795	35
43	65	**Fidelcor** (Philadelphia)	11,391,725	9,026,105	44	6,442,936	49	92,267	37
44	49	**Norstar Bancorp** (Albany, N.Y.)	11,132,015	9,009,416	45	6,529,659	48	104,830	36
45	44	**National Westminster Bank USA** (New York)[4]	11,080,016	8,784,311	46	7,251,452	42	67,673	54
46	57	**AmeriTrust Corp.** (Cleveland)	11,068,113	7,972,168	49	7,201,689	43	88,480	39
47	43	**Valley National Corp.** (Phoenix)	10,715,497	9,186,694	42	7,173,378	44	83,222	43
48	55	**Shawmut Corp.** (Boston)	10,697,446	7,751,252	50	6,762,034	47	78,642	46
49	48	**Harris Bankcorp** (Chicago)[3]	10,277,701	7,600,616	52	5,702,785	55	68,167	53
50	45	**Comerica** (Detroit)	9,982,511	8,310,549	47	5,783,776	54	61,911	56

** Reflects an extraordinary credit of at least 10%; see the explanations of "net income" and "earnings per share" on page 222.
† Average for the year; see the reference to "employees" on page 222.
‡ Reflects an extraordinary charge of at least 10%; see the explanations of "net income" and "earnings per share" on page 222.
§ Dividends paid on mandatory redeemable preferred stock subtracted from net income.
[1] As of December 31, 1986. All companies on the list must have more than 80% of their assets in chartered commercial banking institutions.
[2] Net of unearned discount and loan loss reserve. Figure includes lease financing.
[3] Figure is for Sun Banks.
[4] Company is 52% owned by Hongkong & Shanghai Banking Corp. (No. 27 among last year's Largest International Banks).

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THE SERVICE 500

'KHOLDERS' Y		EMPLOYEES		NET INCOME AS PERCENT OF EQUITY		EARNINGS PER SHARE					TOTAL RETURN TO INVESTORS			
									1976-86 GROWTH RATE		1986		1976-86 AVERAGE	
OUSANDS	RANK	NUMBER	RANK	PERCENT	RANK	1986/$	1985/$	1976/$	PERCENT	RANK	PERCENT	RANK	PERCENT	RANK
)60,000	1	88,500	1	11.6§	63	7.14	7.12	3.21	8.32	66	12.29	38	10.89	79
)38,000	4	73,465	2	—		(3.74)	(2.68)	2.41	—		(6.40)	82	(1.80)	88
280,310	3	47,480	3	13.6§	40	6.63	6.39	1.81	13.83	29	4.75	60	16.55	64
130,000	2	14,518	16	17.0	6	4.74	3.90	1.26	14.17	27	32.73	7	17.15	60
766,354	5	30,316	6	10.0	77	7.99	8.38	4.82	5.18	76	2.62	66	9.41	80
875,000	7	35,095	5	13.1§	47	4.86	4.35	1.24	14.61	25	13.14	35	20.36	44
119,854	6	20,993	8	12.9	49	7.57	7.33	2.84	10.28	55	(1.78)	75	16.60	63
721,300	9	11,069	22	15.7	15	6.01	5.39	1.16	17.83	12	27.43	12	24.39	14
759,749	8	35,410†	4	12.3	56	7.19	6.84	2.45	11.35	45	2.87	65	16.15	66
342,700	11	21,500	7	11.7	62	5.03	4.15	1.58	12.28	40	65.04	2	20.60	43
347,377	10	13,884	17	11.8	61	4.70	2.84	2.67	5.82	75	1.38	67	8.55	81
818,982	13	19,800	10	9.5§	81	6.20	7.13	3.27	6.61	71	11.31	40	13.06	76
769,309	14	20,000	9	13.2	46	3.69	5.64	0.80	16.55	14	33.50	6	22.43	27
048,000	12	9,477	29	8.1	85	0.60	0.53**	3.64	(16.50)	87	(45.37)	88	(11.21)	92
417,000	17	9,970†	26	14.3	29	3.42	2.84	1.06	12.37	39	23.93	15	14.50	72
308,864	20	12,107	20	15.2§	22	2.53	2.30	0.60	15.48	21	(1.92)	76	18.79	52
602,479	15	19,266	12	17.1	3	2.53	2.16	0.61	15.25	22	15.10	29	27.34	4
507,858	16	19,711	11	16.3	12	1.86	1.67	0.31[3]	19.48	9	7.46	54	20.79	42
368,730	19	12,031†	21	10.6	74	7.19	6.06	1.04	21.33	5	25.28	14	22.64	26
052,347	31	10,200	25	12.2	58	6.83	6.14	2.43	10.86	51	8.31	51	20.28	45
152,163	26	14,827	15	14.9	25	3.52	3.11	0.80[5]	15.97	19	14.97	31	25.16	10
389,970	18	9,328†	30	17.1	5	4.44	3.88	1.24[6]	13.63	30	21.84	19	20.98	39
,146,000	27	8,472	35	—		(2.21)	3.02	1.50	—		(46.96)	89	2.81	87
[illegible]3,500	21	15,526	14	9.3	82	3.64	3.20	2.61	3.36	79	22.17	18	8.43	82
,007	25	11,038	23	12.6	52	3.87	3.20	1.43	10.44	53	13.13	36	21.34	36
,221,320	22	8,008	37	4.4	91	1.65	4.72	2.26	(3.08)	83	(39.28)	86	5.00	85
,052,519	30	9,304	31	14.8	27	4.97	4.26	1.84	10.47	52	18.69	23	20.10	46
,035,763	32	16,902	13	15.2	20	2.91	2.65	0.48	19.67	8	7.05	56	25.88	7
,160,000	24	8,298†	36	1.7	92	0.61	1.62	1.67	(9.61)	85	0.96	68	7.41	83
,091,336	29	13,319	18	14.3	30	2.63	2.38	0.50	18.06	10	23.22	16	16.61	62
,177,429	23	12,887	19	16.5	10	3.59	3.51	1.20[7]	11.53	44	9.85	47	17.75	56
844,000	38	8,636	34	—		(4.86)	0.91	1.51	—		(54.31)	92	(8.56)	90
,136,034	28	2,850	97	11.9§	60	4.44	3.98	1.18	14.19	26	73.91	1	30.50	2
890,397	35	9,900	28	13.4	41	4.12	3.58	1.43	11.17	47	18.91	22	20.86	40
864,335	37	10,961	24	17.1	4	3.48	3.50	1.22	11.07	50	8.49	50	21.82	33
978,877	33	7,716	39	12.6	51	2.94‡	6.05	1.20	9.33	58	15.98	26	23.49	19
680,390	36	9,013	32	15.3	19	3.44	3.03	1.51	8.57	63	44.49	4	15.54	70
761,462	42	7,500	41	15.0	23	2.90	2.77	0.65	16.15	17	10.97	41	23.31	21
560,959	56	7,612	40	—		(12.70)	0.75	1.72	—		(73.49)	93	(10.42)	91
960,359	34	9,945	27	17.2	2	2.29	2.01	0.62	13.96	28	0.70	70	22.37	28
666,284	46	6,800	45	13.0	48	3.00	2.27	0.74	15.02	23	6.94	57	18.23	54
669,672	45	7,394	43	16.8	7	5.58	4.82	0.83	20.94	6	(5.14)	80	24.96	12
694,364	43	5,681	55	13.3	45	3.95	3.95	1.38	11.13	48	16.18	25	16.54	65
763,864	41	8,679	33	13.7§	39	2.87	2.54	1.39	7.51	69	(4.70)	79	18.96	51
621,044	50	4,644	68	10.9	70	N.A.	N.A.	N.A.	—		—		—	
828,200	39	5,811	53	10.7	72	4.28	4.30	2.29	6.47	73	10.44	42	15.41	71
592,518	53	7,321	44	14.1	32	4.97	4.60	1.39	13.62	32	(3.89)	78	15.83	68
633,691	47	6,729	46	12.4	55	5.07	5.17	1.05	17.02	13	13.27	33	25.84	8
689,949	44	4,893	64	9.9	78	10.22	8.63	5.08	7.24	70	—		—	
559,458	58	5,877	52	11.1	69	5.45	4.85	2.90	6.52	72	10.09	44	15.63	69

is for CBT.
is for Pittsburgh National.
igure is for Wachovia.

* Wholly owned by National Westminster Bank (No. 9 among last year's Largest International Banks).
* Wholly owned by a subsidiary of Bank of Montreal (No. 33 among last year's Largest International Banks).

BANKING

OPP004567

THE 100 LARGEST COMMERCIAL BANKING COMPANIES

RANK 1986	RANK 1985	COMPANY	ASSETS[1] $ THOUSANDS	DEPOSITS $ THOUSANDS	DEPOSITS RANK	LOANS[2] $ THOUSANDS	LOANS RANK	NET INCOME $ THOUSANDS	NET INCOME RANK
51	62	**Boatmen's Bancshares** (St. Louis)	9,919,003	7,472,492	53	5,036,488	61	78,052	47
52	47	**Union Bancorp** (Los Angeles)[10]	9,901,273	7,744,176	51	6,918,061	46	48,329	72
53	42	**Allied Bancshares** (Houston)	9,863,646	8,103,275	48	6,227,850	51	(17,593)	95
54	56	**Maryland National Corp.** (Baltimore)	9,513,341	6,350,913	62	7,008,274	45	91,756	38
55	51	**U.S. Bancorp** (Portland, Ore.)	9,491,354	5,762,464	69	5,474,646	58	77,165	48
56	58	**Signet Banking Corp.** (Richmond)[11]	9,471,496	6,664,928	60	5,894,151	53	86,277	41
57	54	**United Virginia Bankshares** (Richmond)	9,412,574	6,896,462	57	6,422,051	50	81,927	45
58	52	**Rainier Bancorp.** (Seattle)	9,216,090	6,630,999	61	6,152,313	52	70,023	51
59	59	**Northern Trust Corp.** (Chicago)	9,090,107	6,207,109	64	3,924,590	75	52,290	68
60	61	**KeyCorp** (Albany, N.Y.)	9,072,750	7,390,982	54	5,458,138	59	82,190	44
61	50	**Society Corp.** (Cleveland)	9,060,948	7,327,461	55	5,514,160	57	84,122	42
62	63	**Manufacturers National Corp.** (Detroit)	8,110,207	6,159,383	65	4,681,938	64	60,009	59
63	93	**United Jersey Banks** (Princeton)	8,023,961	6,672,853	59	4,987,595	62	71,505	49
64	79	**First of America Bank Corp.** (Kalamazoo, Mich.)	7,869,918	6,927,313	56	4,589,557	65	52,904	66
65	71	**Huntington Bancshares** (Columbus, Ohio)	7,717,915	5,952,839	66	4,797,545	63	64,691	55
66	60	**Michigan National Corp.** (Farmington Hills, Mich.)	7,672,215	6,759,164	58	5,692,315	56	52,220	69
67	70	**BayBanks** (Boston)	7,627,668	6,348,201	63	5,180,258	60	58,852	60
68	74	**First American Bankshares** (Washington, D.C.)	7,209,709	5,917,510	67	4,307,889	69	41,100	79
69	67	**State Street Boston Corp.**	7,189,818	5,269,596	72	2,127,135	100	71,395	50
70	68	**First Wisconsin Corp.** (Milwaukee)	7,090,197	5,666,903	70	4,285,972	70	52,694	67
71	73	**Florida National Banks of Florida** (Jacksonville)	6,876,822	5,816,445	68	4,391,127	66	34,389	86
72	72	**Meridian Bancorp** (Reading, Pa.)	6,801,115	5,453,125	71	4,266,467	71	69,100	52
73	66	**European American Bancorp** (New York)[13]	6,744,465	4,539,610	80	3,968,490	74	21,123	91
74	64	**Mercantile Bancorp.** (St. Louis)	6,586,179	5,057,652	76	4,357,432	67	55,264	61
75	76	**Riggs National Corp.** (Washington, D.C.)	6,253,385	4,988,877	77	2,881,988	91	35,623	84
76	88	**Marshall & Ilsley Corp.** (Milwaukee)	6,000,935	4,331,830	86	2,830,441	93	55,018	62
77	77	**California First Bank** (San Francisco)[15]	5,995,907	5,268,106	73	4,183,478	73	30,733	87
78	69	**Texas American Bancshares** (Fort Worth)	5,985,740	5,152,193	75	4,313,836	68	(115,159)**	97
79	87	**First American Corp.** (Nashville)	5,950,777	4,676,966	79	3,501,289	81	53,294	65
80	82	**AmSouth Bancorp.** (Birmingham, Ala.)	5,942,706	4,449,827	83	3,818,702	77	61,012	57
81	90	**Dominion Bankshares** (Roanoke, Va.)	5,920,662	4,460,769	82	3,899,528	76	47,420	74
82	75	**First Pennsylvania Corp.** (Philadelphia)	5,887,589	3,998,842	90	3,605,071	79	36,625**	81
83	78	**Bank of Tokyo Trust** (New York)[14]	5,874,302	5,168,657	74	2,790,918	95	30,356	88
84	83	**Centerre Bancorp.** (St. Louis)	5,664,526	3,983,641	91	2,844,316	92	30,125	89
85	95	**Old Kent Financial Corp.** (Grand Rapids, Mich.)	5,582,276	4,863,209	78	3,075,818	87	60,585	58
86	81	**First Tennessee National Corp.** (Memphis)	5,555,707	4,250,695	87	3,145,320	85	47,446	73
87	91	**First Maryland Bancorp** (Baltimore)	5,487,202	3,906,087	94	3,725,441	78	36,054	82
88	•	**First National Bancorp** (Baltimore)	5,487,202	3,906,087	95	3,491,947	82	36,054	83
89	89	**Continental Bancorp** (Philadelphia)	5,311,046	4,508,373	81	3,539,007	80	34,739	85
90	85	**Commerce Bancshares** (Kansas City, Mo.)	5,293,463	4,441,591	84	2,695,130	97	39,178	80
91	100	**First Kentucky National Corp.** (Louisville)	5,128,486	3,657,002	98	2,940,760	90	50,061	70
92	94	**Indiana National Corp.** (Indianapolis)	5,106,296	3,815,917	96	3,166,236	84	43,008	78
93	98	**SouthTrust Corp.** (Birmingham, Ala.)	5,101,073	3,973,842	92	2,981,011	88	53,737	64
94	80	**First Security Corp.** (Salt Lake City)	5,079,578	3,923,672	93	3,335,765	83	5,093	93
95	92	**Bancorp Hawaii** (Honolulu)	5,060,018	4,342,847	85	2,784,395	96	46,185	76
96	•	**First Florida Banks** (Tampa)	4,845,177	4,043,714	89	2,793,667	94	47,152	75
97	86	**United Banks of Colorado** (Denver)	4,836,872	3,705,554	97	2,583,582	99	22,606	90
98	96	**Louisiana Bancshares** (Baton Rouge)	4,740,502	4,046,520	88	2,658,363	98	(6,318)	94
99	97	**South Carolina National Corp.** (Columbia)	4,740,286	3,327,023	99	3,077,590	86	43,781	77
100	•	**Citizens Fidelity** (Louisville, Ky.)	4,737,125	3,294,601	100	2,964,923	89	48,925	71
		TOTALS	1,937,181,118	1,346,715,136		1,218,950,175		10,954,844	

• Not on last year's list.
** Reflects an extraordinary credit of at least 10%; see the explanations of "net income" and "earnings per share" on page 222.
† Average for the year; see the reference to "employees" on page 222.

§ Dividends paid on mandatory redeemable preferred stock subtracted from net income.
[10] Wholly owned by Standard Chartered Bank (No. 54 among last year's Largest Commercial Banking Companies Outside the U.S.)
[11] Name changed from Bank of Virginia July 14, 1986.
[12] Figure is for American Bank & Trust.

[13] Wholly owned by six European banks, all of which were ranked last year on FORTUNE's list of the Largest International Banks.
[14] Company is 77% owned by Bank of Tokyo (No. 21 among last year's Largest International Banks)
[15] Wholly owned by Bank of Tokyo.

OPP004568

THE SERVICE 500

CKHOLDERS' ITY		EMPLOYEES		NET INCOME AS PERCENT OF EQUITY		EARNINGS PER SHARE					TOTAL RETURN TO INVESTORS			
									1976-86 GROWTH RATE		1986		1976-86 AVERAGE	
HOUSANDS	RANK	NUMBER	RANK	PERCENT	RANK	1986/$	1985/$	1976/$	PERCENT	RANK	PERCENT	RANK	PERCENT	RANK
621,108	49	5,600	56	12.6	53	4.00	4.40	1.30	11.94	42	(0.17)	72	21.48	35
775,668	40	4,539	70	6.2	89	N.A.	N.A.	N.A.	—		—		—	
613,158	52	3,350	89	—		(0.42)	2.95	0.62	—		(40.98)	87	12.04	78
541,729	59	7,497	42	16.5§	8	4.99	4.11	1.12	16.11	18	14.52	32	19.70	49
633,204	48	5,468	58	12.2	57	2.56	2.22	1.11	8.73	62	20.14	21	13.52	75
527,415	60	6,145	51	16.4	11	3.53	3.05	0.50	21.46	4	10.07	45	22.71	25
564,781	55	6,273	49	14.5	28	2.92	2.65	0.64	16.35	15	29.09	10	25.79	9
559,891	57	5,693	54	12.5	54	3.41	3.26	1.44	9.00	61	(1.04)	73	18.04	55
496,043	63	4,895	63	10.5	75	3.24	2.07	1.82	5.96	74	42.15	5	16.78	61
618,514	51	7,990	38	13.3	44	2.93	2.61	1.15	9.79	56	(9.91)	83	22.91	23
568,917	54	6,151	50	14.8	26	3.43	3.00	1.54	8.34	65	7.91	53	19.34	50
450,917	70	4,413	72	13.3	43	5.27	4.63	1.98	10.30	54	(0.10)	71	21.84	32
510,205	62	5,346	62	14.0	33	2.17	2.17	0.69	12.16	41	3.22	64	22.83	24
517,096	61	6,341	48	10.2§	76	5.47	5.19	1.67	12.62	36	0.72	69	24.32	16
470,995	65	4,855	65	13.7	38	2.65	2.42	0.81	12.56	37	3.42	62	23.86	17
462,157	68	6,500	47	11.3	65	3.59	2.64	2.62	3.21	80	6.13	58	13.69	73
420,370	72	5,565	57	14.0	34	4.10	3.81	0.90	16.34	16	23.03	17	25.03	11
418,522	73	4,353	73	9.8	80	N.A.	N.A.	N.A.	—		—		—	
392,364	76	5,352	61	18.2	1	1.97	1.60	0.19	26.43	2	14.99	30	36.24	1
466,806	66	5,373	60	11.3	66	2.53	2.10	0.76	12.71	35	12.91	37	23.06	22
430,571	71	4,739	67	7.8§	87	1.30	3.56	0.45	11.11	49	(12.64)	84	19.85	48
494,944	64	5,414	59	14.0	35	2.48	2.34	1.00[12]	9.47	57	15.10	28	25.90	6
359,747	78	3,261	92	5.9	90	N.A.	N.A.	N.A.	—		—		—	
58,904	69	4,572	69	12.0	59	3.57	3.49	1.69	7.74	68	7.31	55	16.13	67
13,435	86	1,989	99	10.7	71	2.65	2.59	1.11	9.07	59	(1.77)	74	21.20	37
351,915	79	4,808	66	15.6	16	2.95	2.66	1.02	11.20	46	9.68	48	23.41	20
311,105	94	3,942	82	9.9	79	2.61	2.26	1.79	3.86	78	3.40	63	18.45	53
257,183	100	3,022	94	—		(10.41)**	2.40	2.21	—		(49.88)	91	3.97	86
397,579	74	3,580	86	13.4	42	2.79	2.52	0.43	20.47	7	15.28	27	22.21	30
385,428	77	4,325	74	15.8	14	3.13	2.77	1.04	11.63	43	20.63	20	19.89	47
340,343	83	4,088	78	13.9	36	2.01	1.86	0.90	8.31	67	11.55	39	17.34	59
463,813	67	3,616	84	7.9	86	0.68**	0.35**	1.76	(9.07)	84	4.35	61	(3.22)	89
327,800	88	455	100	9.3	83	N.A.	N.A.	N.A.	—		—		—	
336,825	84	3,581	85	8.9	84	3.90	3.53	3.08	2.39	82	9.36	49	13.03	77
393,844	75	3,500	88	15.4	18	2.71	2.55	0.76	13.56	33	(2.74)	77	17.63	57
305,818	96	4,182	76	15.5	17	3.41	2.75	0.65	17.97	11	27.54	11	24.55	13
319,630	91	4,077	79	11.3	67	2.68	2.23	1.13	9.05	60	4.85	59	20.82	41
319,630	92	4,077	80	11.3	68	2.68	N.A.	N.A.	—		—		—	
326,901	89	3,000†	95	10.6	73	3.15	4.65	2.14	3.92	77	29.23	9	21.75	34
343,856	82	3,997	81	11.4	64	3.75	3.61	1.65	8.56	64	13.19	34	17.58	58
303,495	99	4,474	71	16.5	9	2.31	2.08	0.64	13.63	31	18.40	24	22.12	31
333,957	85	2,917	96	12.9	50	3.49	3.35	0.07	47.49	1	10.23	43	23.84	18
350,684	81	3,700	83	13.8	37	2.26	1.99	0.70	12.50	38	26.62	13	22.21	29
351,219	80	4,313	75	1.5	93	0.41	1.56	2.15	(15.27)	86	8.04	52	5.65	84
303,908	97	3,281	90	15.2	21	5.07**	4.31	1.49	13.02	34	45.23	3	21.09	38
315,845	93	3,513†	87	14.9	24	2.97	3.04	0.35	23.72	3	(5.37)	81	29.82	3
328,987	87	3,239	93	6.9	88	1.95	3.47	1.47	2.87	81	(23.69)	85	13.63	74
319,833	90	3,277	91	—		(0.26)	1.20	0.66	—		(49.12)	90	—	
308,652	95	4,131	77	14.2	31	2.05	1.48	0.52	14.78	24	9.89	46	24.34	15
303,635	98	2,204†	98	16.1	13	2.54	2.92	0.58	15.90	20	29.26	8	26.18	5
7,423		1,011,636												

BANKING

THE 50 LARGEST DIVERSIFIED FINANCIAL COMPANIES

RANK 1986	RANK 1985	COMPANY	ASSETS[1] $ THOUSANDS	REVENUES[2] $ THOUSANDS	REVENUES RANK	NET INCOME $ THOUSANDS	NET INCOME RANK	STOCKHOLDERS' EQUITY $ THOUSANDS	STOCKHOLDERS' EQUITY RANK
1	1	**Federal Nat'l Mortgage Ass'n** (Washington, D.C.)	100,406,000	10,540,000	5	183,000	25	1,593,000	13
2	2	**American Express** (New York)	99,476,000	14,652,000	4	1,250,000	1	5,726,000	1
3	•	**Salomon** (New York)[3]	78,164,000	6,789,000	10	516,000	7	3,454,000	6
4	3	**Aetna Life & Casualty** (Hartford)	66,829,900	20,482,900	1	1,043,100••	2	5,697,200	2
5	4	**Merrill Lynch** (New York)	53,013,471	9,606,349	7	454,349	8	2,875,514	8
6	6	**CIGNA** (Philadelphia)	50,015,800	17,064,100	2	817,300••	3	4,875,000	3
7	5	**First Boston** (New York)	48,618,206	1,309,765	33	180,555	26	958,780	23
8	7	**Travelers Corp.** (Hartford)	46,299,600	16,046,600	3	545,800	5	4,705,800	5
9	•	**Morgan Stanley Group** (New York)	29,190,361	2,463,484	24	201,250	23	797,571	25
10	8	**Bear Stearns Cos.** (New York)[4]	26,939,440	1,188,951	35	89,474	35	651,435	31
11	9	**E.F. Hutton Group** (New York)	25,921,257	3,504,927¶	16	(90,286)	49	733,484	28
12	11	**American International Group** (New York)	21,022,868	9,704,119	6	795,827	4	4,867,797	4
13	10	**Loews** (New York)	19,024,309	8,625,988	8	545,503	6	2,916,624	7
14	12	**Student Loan Marketing Ass'n** (Washington, D.C.)	18,232,065	1,376,785	32	144,559	29	654,805	30
15	15	**Lincoln National** (Fort Wayne)	16,243,838	5,998,713	12	284,392	12	2,196,594	12
16	13	**Transamerica** (San Francisco)	16,181,783	7,119,688	9	267,541	14	2,304,362	11
17	14	**Paine Webber Group** (New York)[5]	14,725,750	2,384,720	25	71,599	37	633,365	33
18	16	**Continental** (New York)	13,623,225	6,002,273	11	449,632	9	2,550,894	9
19	•	**Household International** (Prospect Heights, Ill.)[6]	13,206,600	3,825,400¶	14	208,600‡	22	1,161,600	21
20	21	**Fleet Financial Group** (Providence, R.I.)	11,690,346	1,207,513	34	136,744	30	770,654	26
21	17	**Kemper** (Long Grove, Ill.)	9,735,091	3,329,897	17	201,110	24	1,423,530	18
22	19	**Fireman's Fund** (Novato, Calif.)	9,178,000	3,699,000	15	228,000	18	1,560,000	16
23	20	**USF&G** (Baltimore)	8,935,993	4,336,783	13	296,330	11	1,576,161	14
24	23	**General Re** (Stamford, Conn.)	8,676,600	3,175,200	22	328,700	10	2,413,100	10
25	22	**St. Paul Cos.**	7,627,082	3,181,587	21	217,114••	20	1,440,565	17
26	24	**American Financial** (Cincinnati)	7,325,962	3,190,212	20	178,650	28	291,259	45
27	18	**Beneficial** (Wilmington, Del.)	7,274,200	1,659,200	29	(171,600)••	50	716,400	29
28	25	**Chubb** (Warren, N.J.)	7,226,748	3,208,761	19	267,941	13	1,575,531	15
29	26	**Reliance Group Holdings** (New York)	6,078,522	3,225,749	18	62,991‡	39	441,058	41
30	30	**Combined International** (Chicago)	5,904,802	1,805,626	27	247,249	15	1,142,005	22
31	28	**SAFECO** (Seattle)	5,781,799	2,518,977	23	228,687	17	1,299,690	20
32	27	**Home Group** (New York)	5,681,000	2,193,700	26	178,700••	27	812,800	24
33	42	**Integrated Resources** (New York)	5,136,668	832,879	40	18,048‡	45	505,711	38
34	29	**DCNY** (New York)	4,867,972	273,365	49	24,613	43	110,045	48
35	•	**BarclaysAmericanCorp.** (Charlotte, N.C.)	4,147,990	479,608	44	22,692	44	537,420	37
36	31	**Farmers Group** (Los Angeles)	3,196,834	1,119,922	38	213,470	21	1,398,294	19
37	32	**GEICO** (Washington, D.C.)	2,715,291	1,429,863	30	217,742	19	623,997	34
38	33	**Old Republic International** (Chicago)	2,628,300	1,143,500	37	67,700‡	38	426,700	42
39	37	**Southmark** (Dallas)[7]	2,516,027	534,411	43	94,289	33	753,121	27
40	35	**Ohio Casualty** (Hamilton)	2,475,392	1,415,268	31	102,714	31	606,002	35
41	40	**Lomas & Nettleton Financial** (Dallas)[7]	2,454,689	376,424	47	54,463	40	335,880	43
42	34	**Alexander & Alexander Services** (New York)	2,428,600	1,068,200	39	43,200	41	324,400	44
43	36	**Security Capital** (New York)[5]	2,306,709	277,616	48	(8,935)	46	59,226	50
44	38	**Hanover Insurance Cos.** (Worcester, Mass.)	1,891,002	1,162,135	36	96,962••	32	448,486	40
45	44	**Cincinnati Financial**	1,552,717	775,804	41	93,471	34	580,174	36
46	43	**United States Leasing International** (San Francisco)	1,525,783	434,060	46	29,303	42	276,917	46
47	46	**Alleghany** (New York)	1,515,635	623,414	42	79,465	36	497,241	39
48	49	**Marsh & McLennan Cos.** (New York)	1,476,600	1,804,100	28	243,200	16	638,700	32
49	45	**Frank B. Hall** (Briarcliff Manor, N.Y.)	1,255,685	438,392	45	(22,452)	48	101,600	49
50	48	**Southland Financial** (Irving, Tex.)	1,151,191	58,803	50	(16,330)	47	183,173	47
		TOTALS	903,493,703	199,665,731		11,712,426		73,223,665	

• Not on last year's list.
¶ Includes sales from discontinued operations of at least 10%.
•• Reflects an extraordinary credit of at least 10%; see the explanations of "net income" and "earnings per share" on page 222.
† Average for the year; see the reference to "employees" on page 222.
‡ Reflects an extraordinary charge of at least 10%; see the explanations of "net income" and "earnings per share" on page 222.
§ Dividends paid on mandatory redeemable preferred stock subtracted from net income.
[1] Total assets shown as of December 31, 1986, unless otherwise noted. Only assets of consolidated subsidiaries are included. Holding companies engaged in commercial banking, savings, or life, health, and accident insurance are listed here only when assets of those businesses represent less than 80% of the company's total.

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THE SERVICE 500

EMPLOYEES		NET INCOME AS PERCENT OF EQUITY		EARNINGS PER SHARE			1976-86 GROWTH RATE		TOTAL RETURN TO INVESTORS 1986		1976-86 AVERAGE	
PERCENT	RANK	NUMBER	RANK	1986/$	1985/$	1976/$	PERCENT	RANK	PERCENT	RANK	PERCENT	RANK
2,300	44	11.5	41	2.49	0.52	2.62	(0.51)	33	58.39	3	13.22	37
78,747	1	21.8	8	5.55	3.55	1.35	15.18	10	9.31	23	15.41	31
7,800	29	14.9	29	3.45	3.78	0.97	13.55	18	(10.59)	38	22.81	13
45,100	4	18.3	14	9.12**	3.32	2.65	13.17	19	10.24	22	15.53	30
47,900	3	15.8	26	4.30	2.26	1.50	11.07	24	8.45	25	15.18	33
50,056	2	16.1§	23	9.92**	(10.77)	4.25	8.84	26	(10.76)	39	8.02	40
4,493	39	18.8	11	5.14	4.29	1.26	15.08	11	(1.75)	35	30.81	6
33,353	6	11.6	40	5.09	4.18	1.63	12.06	23	(2.75)	36	15.35	32
5,332	36	25.2	4	8.42	N.A.	N.A.	—		—		—	
5,650	35	13.7	34	1.11	N.A.	N.A.	—		14.98	15	—	
18,910	11	—		(2.90)	1.63	1.27	—		11.04	20	24.60	11
28,000	7	16.4	21	4.90	2.75	0.83	19.46	6	15.74	13	20.47	18
22,950	8	18.7	13	6.69	7.23	0.94	21.68	1	8.51	24	31.23	5
984	48	22.1	6	3.08	2.45	N.A.	—		79.64	1	—	
14,003	18	13.0	37	6.12	4.89	1.88	12.53	22	(3.96)	37	16.51	27
14,800	16	11.6	39	3.57	2.15	1.74	7.45	29	1.39	32	14.99	34
12,050	21	11.3	42	2.51	1.36	1.14	8.21	28	14.37	18	23.97	12
17,000	13	17.3§	17	7.42	1.01	2.01	13.92	16	0.56	34	13.25	36
21,400	9	17.1§	18	4.48‡	3.65	2.87	4.55	31	17.74	11	16.16	28
8,410	27	17.7	15	5.16	4.67	1.14	16.25	8	18.03	10	26.73	10
17,000	14	14.1	32	3.40	1.89	0.93	13.84	17	4.76	30	21.98	15
12,700	20	14.6	30	3.45	N.A.	N.A.	—		14.76	16	—	
9,000†	24	18.8	12	4.43	(1.81)	1.56	11.01	25	7.96	26	16.95	25
2,332	43	13.6	35	3.22	2.90	1.43	8.42	27	11.69	19	18.82	19
10,178	22	15.1	28	4.75**	2.35	1.25	14.28	15	4.35	31	13.44	35
44,300	5	52.1§	1	N.A.	N.A.	N.A.	—		—		—	
6,800	32	—		(8.30)**	3.82	4.52	—		18.56	9	15.54	29
9,600	23	17.0	19	7.05	1.92	2.08	12.98	20	10.57	21	18.56	21
8,500	26	14.3	31	0.50‡	N.A.	N.A.	—		—		—	
14,500	17	21.7	9	7.40	5.48	2.25	12.64	21	6.95	27	21.24	17
8,792	25	17.6	16	6.79	4.74	1.72	14.70	12	18.92	8	18.02	22
7,800	28	22.0	7	4.59**	(5.19)	N.A.	—		(14.29)	41	—	
3,168	42	3.6	45	(1.73)‡	2.04	0.19**	—		(12.12)	40	34.98	2
354	50	22.4	5	6.14	5.89	1.10	18.75	7	25.39	5	39.82	1
3,314	41	4.2	44	N.A.	N.A.	N.A.	—		—		—	
15,506	15	15.3	27	3.09	2.71	0.80	14.47	14	16.23	12	16.66	26
5,894	33	34.9	3	12.61	9.25	(1.51)	—		14.52	17	32.57	3
4,700	37	13.9§	33	3.55‡	1.20‡	2.94	1.89	32	(21.40)	43	18.68	20
13,500	19	12.5	38	1.39	1.51	N.A.	—		1.24	33	22.50	14
5,700	34	17.0	20	4.54	1.95	1.01	16.16	9	15.62	14	17.55	23
3,740	40	16.2	22	3.29	2.81	0.50	20.61	2	23.51	7	29.14	7
18,000†	12	13.3	36	1.05	(0.19)	1.28	(1.96)	34	(17.91)	42	8.27	39
1,135	47	—		(1.52)	1.74**	(2.10)‡	—		(57.95)	46	6.87	41
4,603	38	21.6	10	9.41**	2.27	1.52	20.02	4	24.41	6	27.77	9
1,600	46	16.1	24	6.08	3.64	0.94	20.56	3	6.18	28	28.93	8
1,750	45	10.6	43	3.97	3.39	1.98	7.20	30	5.39	29	17.47	24
7,000	30	16.0	25	12.36	13.31	2.01	19.92	5	70.88	2	31.97	4
19,975	10	38.1	2	3.30	2.23	0.85	14.49	13	53.14	4	21.52	16
7,000	31	—		(1.92)	(13.17)	1.67	—		(47.71)	45	0.35	42
780†	49	—		(0.97)	(0.44)	0.79	—		(33.83)	44	9.11	38
708,459												

FINANCIAL

otal revenues during the year, including any consolidated non-financial revenues from manufacturing, retailing, etc., and revenues from discontinued operations when published. All companies on the list must have derived more than 50% of their revenues from financial businesses and have a publicly traded stock.

[3] Company was No. 1 among last year's Largest Diversified Service Companies as Phibro-Salomon. Name changed May 7, 1986.
[4] Figures are for fiscal year ended April 30, 1986.
[5] Figures are for fiscal year ended September 30, 1986.
[6] Company was No. 11 among last year's Largest Retailing Companies.
[7] Figures are for fiscal year ended June 30, 1986.

THE 50 LARGEST SAVINGS INSTITUTIONS

RANK 1986	RANK 1985	COMPANY	ASSETS[1] $ THOUSANDS	DEPOSITS $ THOUSANDS	RANK	LOANS[2] $ THOUSANDS	RANK	NET INCOME $ THOUSANDS	RANK
1	1	**Financial Corp. of America** (Irvine, Calif.)	33,952,994	16,929,388	3	11,650,995	6	95,369	9
2	3	**Great Western Financial Corp.** (Beverly Hills, Calif.)	27,630,183	18,130,530	2	21,970,955	1	300,786	2
3	2	**H. F. Ahmanson** (Los Angeles)	27,592,294	21,687,190	1	18,680,570	2	303,604	1
4	4	**CalFed** (Los Angeles)	21,552,900	15,486,500	4	15,912,600	3	164,400	5
5	5	**Meritor Financial Group** (Philadelphia)[3]	18,447,272	12,676,100	5	15,515,724	4	22,920**	34
6	6	**GLENFED** (Glendale, Calif.)[4,5]	16,387,444	11,660,817	6	13,140,320	5	88,295**	11
7	12	**Great American First Savings Bank** (San Diego)	13,064,815	8,877,414	7	8,877,743	7	93,745	10
8	7	**Golden West Financial Corp.** (Oakland)	12,435,350	7,698,523	9	7,986,984	9	183,808	4
9	10	**Gibraltar Financial Corp.** (Beverly Hills, Calif.)	12,248,615	6,001,205	14	4,773,050	16	49,077‡	19
10	9	**Home Federal Savings & Loan Ass'n** (San Diego)	12,074,620	8,562,059	8	1,232,040	49	103,358	7
11	8	**First Federal of Michigan** (Detroit)	11,271,916	5,047,913	18	4,778,940	18	73,023‡	12
12	11	**CityFed Financial Corp.** (Palm Beach, Fla.)	10,728,053	5,857,240	16	7,022,032	10	37,524	23
13	16	**Columbia Savings & Loan Ass'n** (Beverly Hills, Calif.)	10,222,652	5,192,585	17	1,817,752	41	193,526	3
14	14	**CrossLand Savings** (New York)	10,095,697	6,876,465	11	8,251,452	8	101,232**	8
15	15	**Coast Savings & Loan Ass'n** (Los Angeles)	9,725,362	5,931,131	15	5,508,974	14	50,377	16
16	13	**Imperial Corp. of America** (San Diego)	9,597,240	6,063,147	13	5,783,466	13	50,340	17
17	•	**Empire of America Federal Savings** (Buffalo)	9,095,241	7,352,759	10	6,803,587	11	66,638**	14
18	•	**Dime Savings Bank of New York** (Garden City)	8,366,595	6,691,224	12	6,355,896	12	130,612**	6
19	•	**TCF Banking & Savings** (Minneapolis)	6,517,650	3,405,961	24	2,735,217	28	21,401	38
20	19	**United Financial Group** (Houston)	6,464,869	3,101,427	30	1,680,699	43	(36,250)	48
21	22	**CenTrust Savings Bank** (Miami)[6]	6,142,788	3,400,244	25	3,385,492	22	55,906**	15
22	20	**Western Savings & Loan Ass'n** (Phoenix)	5,547,105	3,813,475	21	2,995,312	24	30,171	24
23	18	**Carteret Savings & Loan Ass'n** (Morristown, N.J.)[6]	5,537,547	4,165,587	19	4,536,160	17	46,091**	20
24	23	**Homestead Financial Corp.** (Burlingame, Calif.)	5,492,380	2,538,168	36	1,831,453	40	29,445‡	25
25	24	**Washington Mutual Savings Bank** (Seattle)	5,392,597	3,293,169	27	2,739,297	28	70,654	13
26	28	**Atlantic Financial Federal** (Bala Cynwyd, Pa.)[6]	5,208,146	3,842,627	20	4,158,606	18	16,453	43
27	21	**Florida Federal S&L Ass'n** (St. Petersburg)[5]	5,192,036	3,432,526	23	3,404,993	20	(65,461)	50
28	33	**American Capital Corp.** (Miami)	5,099,789	3,390,684	26	2,649,704	30	8,683	44
29	26	**Northeast Savings** (Hartford)[7]	5,075,023	3,186,573	28	3,970,037	19	37,804	22
30	25	**American Continental Corp.** (Phoenix)	4,575,171	2,821,375	33	987,827	50	24,333‡	29
31	35	**Financial Corp. of Santa Barbara** (Calif.)	4,557,952	2,005,337	47	1,377,903	47	19,088	40
32	27	**Perpetual Savings Bank** (Alexandria, Va.)[8]	4,349,333	3,105,930	29	2,335,991	32	20,629	39
33	30	**Howard Savings Bank** (Newark, N.J.)	4,294,392	3,704,461	22	2,741,612	27	24,049	30
34	32	**Pacific First Financial Corp.** (Tacoma)	4,097,364	2,096,648	44	2,354,255	33	23,469	31
35	•	**AmeriFirst Federal S&L Ass'n** (Miami)[6]	4,082,464	2,827,009	32	3,390,630	21	(47,847)‡	49
36	29	**Old Stone Corp.** (Providence)	3,876,453	2,690,056	34	3,251,940	23	29,051	26
37	31	**American Savings Bank** (New York)	3,833,200	2,943,771	31	2,981,894	25	40,570**	21
38	36	**Western Capital Investment Corp.** (Denver)	3,563,611	2,354,489	40	2,199,554	34	(7,169)	46
39	•	**Seamen's Corp.** (New York)	3,315,777	2,418,300	38	1,477,566	46	26,757	28
40	38	**Farm & Home Savings Ass'n** (Nevada, Mo.)	3,301,007	2,590,606	35	2,550,254	31	21,739	37
41	34	**Citadel Holding Corp.** (Glendale, Calif.)	3,273,977	2,400,294	39	2,847,889	26	29,030	27
42	41	**Commercial Federal Corp.** (Omaha)[5]	3,067,981	1,666,218	49	1,679,500	44	17,325	41
43	47	**Far West Financial** (Newport Beach, Calif.)	3,030,281	2,119,008	43	2,023,591	38	23,158	32
44	44	**Society for Savings** (Hartford)	2,948,366	2,228,376	41	2,030,258	37	23,036**	33
45	37	**Guarantee Financial Corp. of Calif.** (Fresno)	2,874,138	2,167,143	42	2,181,025	35	8,042	45
46	•	**Apple Bank for Savings** (New York)	2,699,331	2,451,764	37	1,969,296	39	22,487**	35
47	46	**First Columbia Financial Corp.** (Englewood, Colo.)[9]	2,696,460	1,650,724	50	1,246,752	48	(14,254)	47
48	48	**Great Lakes Fed. S&L Ass'n** (Ann Arbor, Mich.)	2,691,390	1,698,117	48	1,799,013	42	22,234	36
49	45	**Valley Federal S&L Ass'n** (Van Nuys, Calif.)	2,661,651	2,067,106	46	2,178,572	36	17,033	42
50	40	**American S&L Ass'n of Florida** (Miami)[6]	2,600,032	2,094,066	45	1,507,881	45	50,242**	18
		TOTALS	408,549,504	264,393,429		245,283,223		2,696,133	

• Not on last year's list.
** Reflects an extraordinary credit of at least 10%; see the explanations of "net income" and "earnings per share" on page 222.
† Average for the year; see the reference to "employees" on page 222.

‡ Reflects an extraordinary charge of at least 10%; see the explanations of "net income" and "earnings per share" on page 222.
§ Dividends paid on mandatory redeemable preferred stock subtracted from net income.

[1] As of December 31, 1986. All companies on the list must have derived more than 80% of their assets from chartered thrift institutions and have a publicly traded stock.
[2] Net of unearned discount and loan loss reserve. Figure includes lease financing.
[3] Formed as a holding company for Philadelphia Savings Fund Society April 25, 1986.

STOCKHOLDERS' EQUITY		EMPLOYEES		NET INCOME AS PERCENT OF EQUITY		EARNINGS PER SHARE					TOTAL RETURN TO INVESTORS			
									1976-86 GROWTH RATE		1986		1976-86 AVERAGE	
THOUSANDS	RANK	NUMBER	RANK	PERCENT	RANK	1986/$	1985/$	1976/$	PERCENT	RANK	PERCENT	RANK	PERCENT	RANK
313,893	16	5,900	5	30.4	5	2.25	1.01**	0.18	28.52	3	(25.00)	36	24.45	5
,598,811	2	11,909	1	18.8	19	7.02	5.02	2.20	12.30	8	37.97	10	15.84	11
,677,418	1	10,162	2	18.1	20	3.22	2.63	1.00	12.40	7	36.18	11	20.09	7
,168,900	3	6,800	4	14.1	28	7.03	6.02	N.A.	—		24.53	16	—	
970,171	4	5,662	6	2.4	44	0.65**	1.84	N.A.	—		(11.94)	32	—	
753,517	6	5,315	7	11.7	34	4.11**	2.64	N.A.	—		40.67	8	—	
545,096	10	3,394	11	17.2	23	4.18	2.43	N.A.	—		19.74	19	—	
651,170	7	2,612	14	28.2	7	5.89	5.14	0.93	20.29	6	13.02	22	26.10	3
331,101	15	2,416	15	14.8	27	2.66‡	2.34	1.23	8.00	9	2.57	26	7.20	13
801,069	5	3,640	9	12.9	30	4.87	3.53	N.A.	—		00.00	27	—	
361,622	13	2,214	19	20.2	14	6.58	5.31	N.A.	—		43.56	6	—	
356,956	14	6,870	3	7.8§	42	1.57	3.60	N.A.	—		(0.43)	28	—	
499,728	11	830	43	38.7	2	5.40	3.95	N.A.	—		5.99	25	27.37	2
643,327	8	2,639	13	1.6	45	6.34**	N.A.	N.A.	—		14.41	21	—	
399,249	12	1,731	25	12.6	33	3.84	1.63	N.A.	—		—		—	
226,313	24	3,000	12	22.2	13	3.55	(1.16)	2.98	1.77	13	34.15	12	3.60	15
218,240	27	3,840	8	30.5	4	4.24**	N.A.	N.A.	—		—		—	
564,559	9	3,500	10	23.1	12	N.A.	N.A.	N.A.	—		—		—	
211,792	28	1,800	24	10.1	37	3.00	N.A.	N.A.	—		—		—	
77,013	48	712	47	—		(4.55)	(0.50)	0.92	—		(73.08)	39	—	
296,807	18	1,882	23	18.8	18	7.84**	8.10	N.A.	—		—		—	
127,984	39	1,978	21	23.6	11	1.80	2.32	0.01	65.51	1	47.49	5	33.32	1
260,762	22	1,700	26	17.7	21	4.21**	2.73	N.A.	—		(15.38)	34	—	
'18,067	40	926	40	24.9	10	2.51	1.63	0.13	34.60	2	25.69	15	—	
2,309	21	1,460	31	25.0	9	7.11	1.93	N.A.	—		104.66	1	—	
186,595	31	1,698	27	8.8	39	3.39	3.80	N.A.	—		(3.43)	29	—	
224,882	25	1,686	29	—		(6.99)	0.22	N.A.	—		(27.86)	37	—	
103,623	43	2,200	20	8.4	40	0.55	0.47	(1.97)	—		(42.59)	38	16.04	10
222,195	26	1,656	30	17.0	24	7.07	(2.08)	N.A.	—		(6.38)	30	—	
128,591	38	1,355	33	27.5	8	1.51‡	2.71	N.A.	—		10.51	23	24.96	4
38,651	49	810	44	49.4	1	3.16	0.83	1.81	5.74	10	21.13	17	4.79	14
256,059	23	1,402	32	6.5§	43	1.20	1.47	N.A.	—		—		—	
304,116	17	2,250	18	7.9	41	1.75	1.43	N.A.	—		8.27	24	—	
207,352	29	1,308†	34	11.3	35	3.14	(1.32)	N.A.	—		42.22	7	—	
104,466	42	2,373	16	—		N.A.	N.A.	N.A.	—		—		—	
184,527	32	2,300		15.7	26	3.32	3.07	2.31	3.69	11	26.29	14	18.82	8
291,380	19	1,038	37	13.9	29	6.11**	N.A.	N.A.	—		—		—	
286,898	20	1,956	22	—		(0.77)	2.07	N.A.	—		(11.38)	31	—	
85,765	47	458	50	31.2	3	1.89	N.A.	N.A.	—		—		—	
202,697	30	743	46	10.7	36	3.07	1.95	N.A.	—		—		—	
148,243	36	688	48	19.6	16	8.43	7.73	N.A.	—		49.82	4	—	
99,418	44	978	38	17.4	22	3.16	2.22	N.A.	—		40.56	9	—	
142,657	37	750	45	16.2	25	3.01	2.63	0.47	20.41	5	(14.38)	33	16.19	9
178,738	33	1,187	35	12.9	31	2.15**	1.37	N.A.	—		—		—	
86,419	45	1,696	28	9.3	38	1.31	2.32	1.03	2.41	12	20.83	18	15.58	12
176,584	34	930	39	12.7	32	4.90**	N.A.	N.A.	—		50.36	3	—	
22,066	50	639	49	—		(5.69)	(2.34)	N.A.	—		(20.48)	35	—	
111,817	40	842	41	19.9	15	5.67	3.21	N.A.	—		16.31	20	—	
82,069	47	1,171	36	19.3§	17	5.51	3.21	N.A.	—		28.45	13	—	
150,552	35	832	42	29.4§	6	6.11**	(6.76)	0.65	25.20	4	82.86	2	22.79	6
14,354		125,838												

..s as a holding company for Glendale Federal Savings & ..n Association December 31, 1986.
..ures are for fiscal year ended June 30, 1986.
..ures are for fiscal year ended September 30, 1986.

† Figures are for fiscal year ended March 31, 1986.
‡ Figures are for fiscal year ended October 31, 1986.
§ Figures are for fiscal year ended February 28, 1986.

SAVINGS

THE 50 LARGEST LIFE INSURANCE COMPANIES

RANK 1986	RANK 1985	COMPANY	ASSETS[1] $ THOUSANDS	PREMIUM AND ANNUITY INCOME[2] $ THOUSANDS	RANK	NET INVESTMENT INCOME $ THOUSANDS	RANK
1	1	**Prudential of America** (Newark)*	103,317,115	17,380,277	1	6,221,946	2
2	2	**Metropolitan Life** (New York)*	81,581,350	12,148,965	2	6,705,678	1
3	3	**Equitable Life Assurance** (New York)*	48,577,698	5,500,913	4	2,733,134	5
4	4	**Aetna Life** (Hartford)[7]	42,957,155	10,506,887	3	3,130,175	3
5	5	**New York Life***	29,793,627	3,477,186	7	2,412,632	6
6	8	**Teachers Insurance & Annuity** (New York)	27,887,103	2,654,607	13	2,778,127	4
7	6	**John Hancock Mutual Life** (Boston)*	27,213,497	4,173,912	5	1,406,348	10
8	7	**Travelers** (Hartford)[8]	27,210,137	4,023,926	6	2,371,822	7
9	9	**Connecticut General Life** (Bloomfield)[9]	24,806,504	2,869,639	11	1,544,123	8
10	10	**Northwestern Mutual Life** (Milwaukee)*	20,187,343	2,934,270	9	1,439,008	9
11	11	**Massachusetts Mutual Life** (Springfield)*	18,027,848	2,487,919	14	1,338,391	12
12	12	**Principal Mutual Life** (Des Moines)*[10]	16,993,647	3,112,712	8	1,391,709	11
13	13	**New England Mutual Life** (Boston)*	12,827,256	2,769,876	12	1,019,988	13
14	14	**Mutual of New York***	11,248,982	2,197,790	15	723,087	16
15	19	**Executive Life** (Los Angeles)	9,870,910	1,615,782	21	800,593	15
16	15	**Mutual Benefit Life** (Newark)*	9,837,863	1,634,881	19	891,052	14
17	16	**Connecticut Mutual Life** (Hartford)*	8,934,017	1,763,712	17	645,224	18
18	17	**State Farm Life** (Bloomington, Ill.)	7,485,062	1,224,966	29	657,372	17
19	18	**IDS Life** (Minneapolis)[11]	7,301,941	1,213,298	31	580,540	19
20	21	**Variable Annuity Life** (Houston)	6,614,424	1,004,512	36	562,186	20
21	20	**Nationwide Life** (Columbus, Ohio)	6,444,987	1,013,129	35	386,565	24
22	26	**Aetna Life & Annuity** (Hartford)[7]	5,610,053	986,995	37	312,460	30
23	24	**Continental Assurance** (Chicago)[12]	5,601,469	1,488,613	25	178,575	49
	25	**Pacific Mutual Life** (Newport Beach, Calif.)*	5,515,535	1,457,421	26	438,057	22
	30	**New York Life & Annuity** (Wilmington, Del.)	5,481,656	1,489,552	24	483,440	21
26	23	**Southwestern Life** (Dallas)	5,435,187	1,218,986	30	181,840	48
27	22	**Lincoln National Life** (Fort Wayne)[13]	5,232,026	1,512,434	22	305,032	32
28	29	**Lincoln National Pension** (Fort Wayne)[13]	5,105,816	1,372,403	28	278,253	40
29	37	**Equitable Variable Life** (New York)	5,073,363	1,501,921	23	360,508	26
30	27	**Phoenix Mutual Life** (Hartford)*	4,719,181	757,021	40	312,479	29
31	38	**Transamerica Life & Annuity** (Los Angeles)[14]	4,651,502	2,931,496	10	412,221	23
32	47	**Provident National Assurance** (Chattanooga)	4,159,288	1,627,262	20	382,869	25
33	33	**Northwestern National Life** (Minneapolis)[16]	4,146,790	1,041,104	34	192,621	47
34	28	**Transamerica Occidental Life** (Los Angeles)[14]	4,070,794	1,453,705	27	298,289	33
35	34	**UNUM Life** (Portland, Me.)[15]	3,924,249	635,083	41	335,201	27
36	35	**State Mutual of America** (Worcester, Mass.)*	3,892,135	1,142,833	33	314,773	28
37	31	**Penn Mutual Life** (Philadelphia)*	3,841,006	391,569	49	279,515	39
38	49	**Allstate Life** (Northbrook, Ill.)[16]	3,789,407	1,895,041	16	279,908	38
39	39	**General American Life** (St. Louis)*	3,778,836	1,208,038	32	308,301	31
40	42	**Guardian of America** (New York)*	3,691,576	1,654,433	18	289,759	35
41	44	**Minnesota Mutual Life** (St. Paul)*	3,608,823	797,151	39	280,121	37
42	46	**Mutual of America Life** (New York)*	3,435,530	421,085	46	256,796	42
43	40	**Franklin Life** (Springfield, Ill.)[17]	3,433,524	448,035	44	292,198	34
44	45	**Kemper Investors Life** (Chicago)[18]	3,398,707	485,854	43	261,401	41
45	43	**National Life** (Montpelier, Vt.)*	3,390,588	488,273	42	215,625	44
46	36	**Western & Southern Life** (Cincinnati)*	3,365,027	423,088	45	206,436	46
47	32	**American General Life & Accident** (Nashville)	3,362,383	410,285	47	287,759	36
48	41	**American National** (Galveston, Tex.)	3,247,663	394,826	48	225,518	43
49	•	**National Investors Life** (Little Rock, Ark.)	3,226,474	382	50	148,989	50
	•	**Home Life** (New York)*	3,064,892	897,967	38	210,775	45
		TOTALS	670,371,946	116,242,015		48,069,419	

Data for all companies are calculated on the statutory accounting basis required by state insurance regulatory authorities.

• Not on last year's list.

* Indicates a mutual company.

[1] As of December 31, 1986.

[2] Includes premium income from life, accident, and health policies, annuities, and contributions to deposit administration funds.

[3] After dividends to policyholders and federal income taxes, excluding capital gains and losses. Figures in parentheses indicate a loss.

[4] Face value of all life policies, including variable life insurance, as of December 31, 1986.

[5] Change between December 31, 1985, and December 31, 1986.

[6] Includes home office, field force, and full-time agents.

[7] Wholly owned by Aetna Life & Casualty (No. 4 on Diversified Financial list).

[8] Wholly owned by Travelers Corp. (No. 8 on Diversified Financial list).

OPP004574

THE SERVICE 500

NET GAIN FROM OPERATIONS[5]			LIFE INSURANCE IN FORCE[6]		INCREASE IN LIFE INSURANCE IN FORCE[5]				EMPLOYEES[6]	
$ THOUSANDS	MUTUAL RANK	STOCK RANK	$ THOUSANDS	RANK	$ THOUSANDS	RANK	PERCENT	RANK	NUMBER	RANK
307,946	2		602,393,802	1	41,427,635	1	7.4	30	62,399	1
236,179	3		519,414,564	2	36,614,861	2	7.6	29	35,900	2
332,215	1		291,198,418	3	3,375,770	26	1.2	40	25,000	4
223,676		3	213,119,304	4	5,238,534	22	2.5	39	25,719	3
121,740	5		186,796,438	5	7,912,400	13	4.4	37	18,294	8
182,154		5	17,265,985	41	1,993,630	31	13.1	18	2,780	38
203,433	4		166,532,325	6	7,559,115	15	4.8	36	18,306	7
238,744		2	151,256,243	9	7,111,499	17	4.9	35	N.A.	
359,364		1	120,849,091	11	6,907,952	18	6.1	34	12,537	10
16,873	12		137,078,662	10	16,036,149	5	13.3	17	7,895	17
56,458	7		76,601,093	14	7,965,531	12	11.6	22	8,515	16
64,568	6		72,195,424	15	6,414,580	19	9.8	24	9,723	12
6,515	15		59,358,851	20	7,172,977	16	13.8	16	9,010	14
(53,512)	24		57,472,692	22	6,054,684	20	11.8	21	9,188	13
4,969		21	45,453,517	27	10,482,307	10	30.0	4	800	43
47,024	8		55,626,916	24	4,866	43	9.6	25	4,128	27
39,664	9		47,738,871	25	2,870,590	27	6.4	32	21,680	5
105,411		7	105,964,178	12	13,157,411	6	14.2	14	18,364	6
39,181		14	18,578,247	40	1,973,686	32	11.9	20	6,165	21
13,522		19	3,242	49	(422)	45	—		1,220	42
46,520		13	18,924,656	39	2,114,162	30	12.6	19	7,377	19
(16,932)		24	22,267,006	37	4,036,719	24	22.1	7	12,477	11
81,745		9	69,090	48	8,877	42	—		N.A.	
7,686	14		30,696,149	30	3,743	44	13.9	15	2,830	37
21,665		18	39,135,289	28	9,620,881	11	32.6	2	18,294	9
36,587		16	46,446,561	26	(15,806,420)	49	—		5,286	22
124,387		6	157,006,399	8	27,063,767	3	20.8	9	3,046	33
36,663		15	106,566	47	(400,817)	48	—		1,640	40
(137,934)		25	56,818,818	23	11,876,258	8	26.4	5	N.A.	
6,265	16		65,462,000	19	3,779,910	25	—		3,566	32
(9,717)		23	395,658	45	(104,146)	47	—		1,226	41
12,836		20	N.A.		N.A.		—		74	46
50,447		11	58,603,595	21	7,769,267	14	15.3	12	2,945	35
(5,238)		22	164,501,845	7	27,357	40	20.0	10	4,991	23
(12,125)	22		4,225,015	42	15,622	41	0.4	41	3,956	28
3,438	18		35,559,130	29	5,222,270	23	17.2	11	4,497	25
19,499	11		23,965,365	32	995,744	36	4.3	38	2,763	39
47,181		12	67,651,097	17	12,599,704	7	22.9	6	2,952	34
8,590	13		84,645,379	13	23,710,686	4	38.9	1	3,878	29
(9,681)	21		65,782,964	18	11,681,741	9	21.6	8	4,930	24
6,135	17		70,129,657	16	5,609,320	21	8.7	27	3,812	30
3,019	20		2,474,175	43	210,265	39	9.3	26	677	44
93,863		8	23,416,533	33	1,751,570	33	8.1	28	4,219	26
22,367		17	1,001,060	44	235,079	38	30.7	3	200	45
(37,297)	23		22,953,428	34	2,523,796	29	15.1	13	3,630	31
24,309	10		27,034,276	31	2,678,377	28	11.0	23	6,195	20
199,494		4	22,453,861	36	1,346,957	35	6.4	33	8,534	15
67,522		10	22,885,374	35	1,423,650	34	6.6	31	7,599	18
(440,673)		26	134,775	46	(13,587)	46	—		65	47
3,287	19		21,762,968	38	984,750	37	—		2,874	36
2,800,032			4,101,406,552		311,239,257				422,156	

[9] Wholly owned by CIGNA (No. 6 on Diversified Financial list).
[10] Name changed from Bankers Life July 1, 1986.
[11] Wholly owned by American Express (No. 2 on Diversified Financial list).
[12] Wholly owned by Loews (No. 13 on Diversified Financial list).
[13] Wholly owned by Lincoln National (No. 15 on Diversified Financial list).
[14] Wholly owned by Transamerica (No. 16 on Diversified Financial list).
[15] Name changed from Union Mutual Life November 17, 1986.
[16] Wholly owned by Sears Roebuck (No. 1 on Retailing list).
[17] Wholly owned by American Brands (No. 68 on the FORTUNE 500 Industrials).
[18] Wholly owned by Kemper (No. 21 on Diversified Financial list).
[19] Company is both stock (64% of assets) and mutual (36%).

THE NEW YORK TIMES, FRIDAY, MARCH 21, 1980

Advertising

Philip H. Dougherty

Travel Checks, Citi-Style

CITICORP has renamed its traveler checks and will begin a record-breaking ad campaign in hopes of winning a bigger market share for them.

What used to be First National City Travelers Checks have become Citicorp Travelers Checks, and the company will be spending more than $10 million in hope of getting more of the $31 billion business now dominated by American Express Travelers Checks.

Although Citicorp won't have Karl Malden to instill fear of loss into viewers, its television commercials (by Doyle Dane Bernbach) will sell some of the benefits that American Express has been offering — size of company and the ease of refund in the event of loss.

"We want to get across the name change," said Denise Thorne, vice president, director of marketing, of Citicorp Services. "But more important, we want to take advantage of the substance and resources of Citicorp — the world's largest financial institution — that stand behind the check; its many locations and refund services."

She was about to preview the three 30-second commercials at the agency along with Marvin Honig and John Piccolo, the creative men who did them, and J. William Wardell, the management supervisor.

•

The commercials break this Sunday on the 11 P.M. news on the NBC-TV Network and in a long list of spot markets during "60 Minutes" on the CBS-TV Network. From then through the fall they will be running on all three networks during the same kind of programming and will be aimed at reaching the higher-income and professional people who travel abroad for business and pleasure.

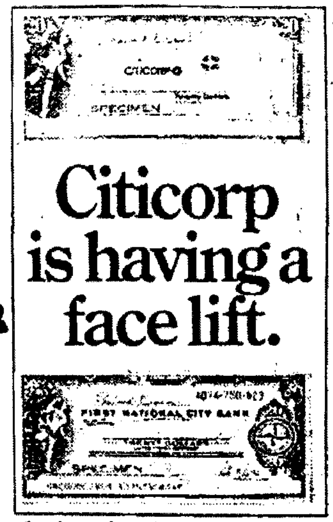
In addition to news-type shows, primary and convention coverage, the advertising will appear during the "Today Show" on NBC and "Good Morning, America" on the ABC-TV Network.

There will also be some "roadblocking" with spots on the 11 o'clock news shows of the three network stations in the top 50 markets. About 75 percent of the budget is going into television.

Citicorp Travelers Checks, which have been around for 75 years, have received little if any national consumer advertising during the last five years. Most of the promotion has been in the trade press directed at the banking community. And that group is not being neglected now; advertising is scheduled to appear in 16 national and 12 regional banking publications.

Additional ads will run in newspapers in 13 cities as well as in The Wall Street Journal and in a substantial list of magazines. The publications will include in-flight magazines, the news weeklies, business publications, National Geographic, Scientific American, Smithsonian and the Ziff-Davis Network.

Mr. Wardell estimates that American Express has about 50 percent of the market. Citicorp Travelers Checks claims second place, with roughly 13 percent. And here comes a new entry, Visa.



Sections of a print ad for Citicorp's renamed traveler's checks.

Dancer Fitzgerald Adds Saluto Entree Account

Dancer Fitzgerald Sample has acquired still more business from General Mills, one of its biggest clients. This time it's the Saluto Company, makers of Saluto Pizza and Northstar entrees. All are frozen items that are currently moving into national distribution. Advertising billings should be around $4 million.

This makes the third piece of new business for the agency in the last four and a half weeks. The others were Ball foundations and Wrangler apparel.

D.F.S. won the Saluto business in competition with D'Arcy-MacManus & Masius, which was doing the pizza advertising, and Campbell-Mithun, a subsidiary of Ted Bates & Company, which was handling the entrees.

SelectaVision to Burnett

The Leo Burnett Company, Chicago's largest ad agency, will be doing the advertising for the SelectaVision videodisk player that RCA Consumer Electronics plans to introduce early next year. Burnett has been working on the national advertising for RCA's television and video cassette recorder products for the last four years.

Celebrity Defectors To Anheuser-Busch

With the kind of pleasure that might be expected from a government intelligence agency showing off a defected spy, Anheuser-Busch yesterday introduced three former testimonial givers for Miller Lite who have come over to to do the same for its Natural Light.

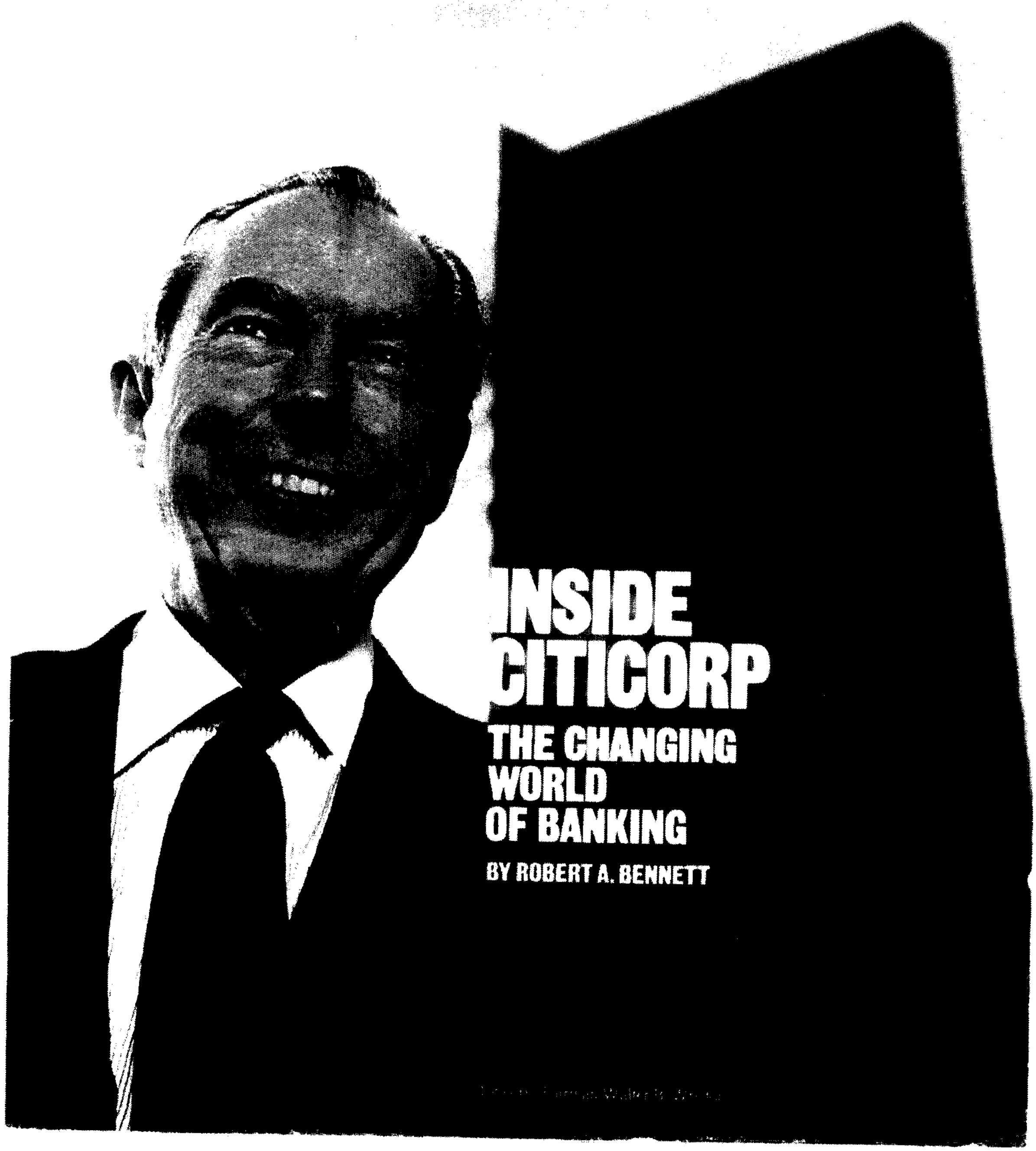
Mickey Mantle from baseball, Joe Frazier from boxing and Nick Buoniconti from football appeared at a news conference, saying that they didn't do it for the money but for the flavor.

In any event, they'll be showing up in Natural Light spots along with some other athletes, Norm Crosby, the comic, and Raymond J. ("You can call me Ray") Johnson Jr. The agency is D'Arcy-MacManus & Masius.

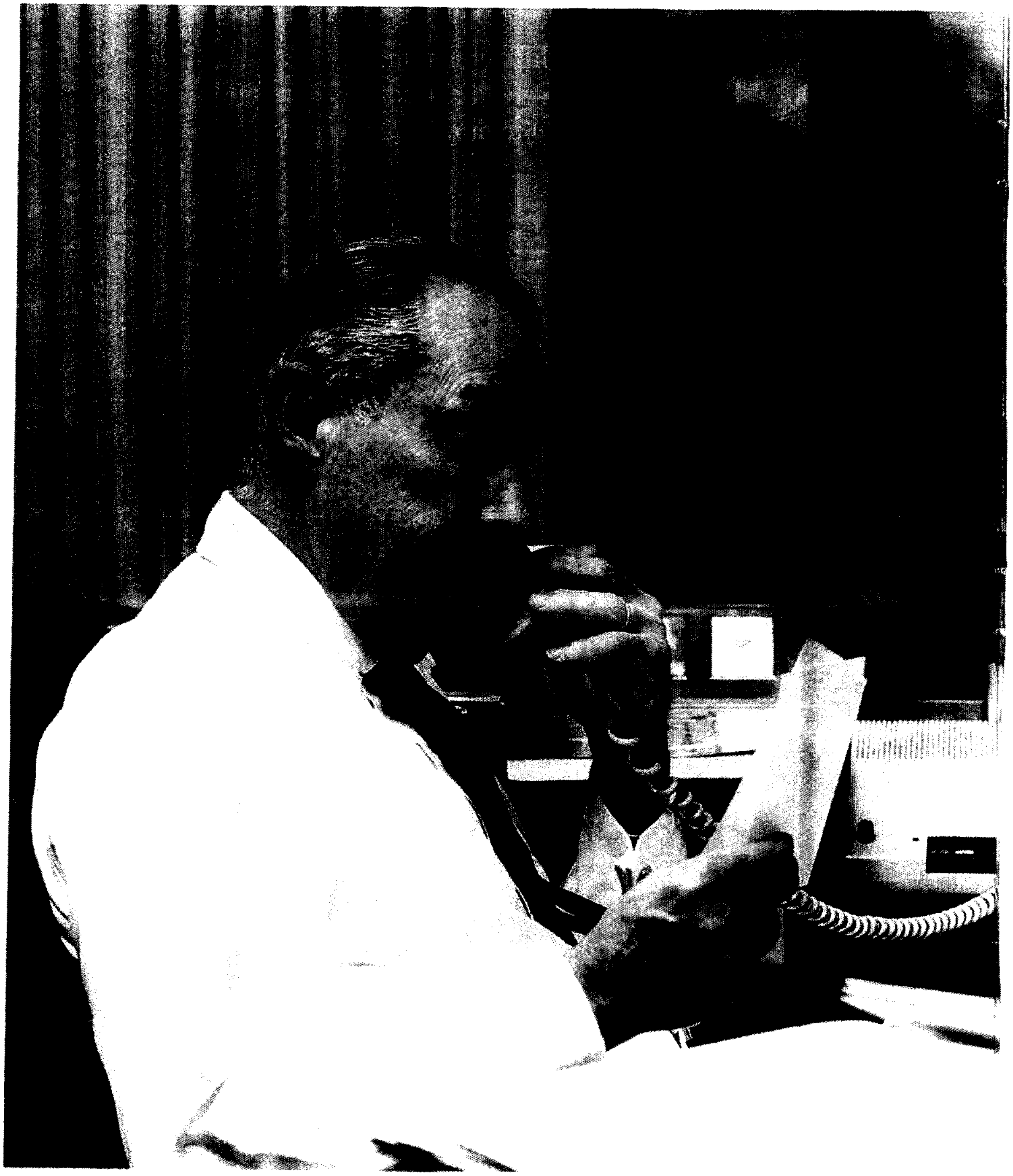
What is the maximum penalty for

Citigroup Inc. v. Citiair, LLC
Opp. No. 91201920
Opposer NOR Ex. 508

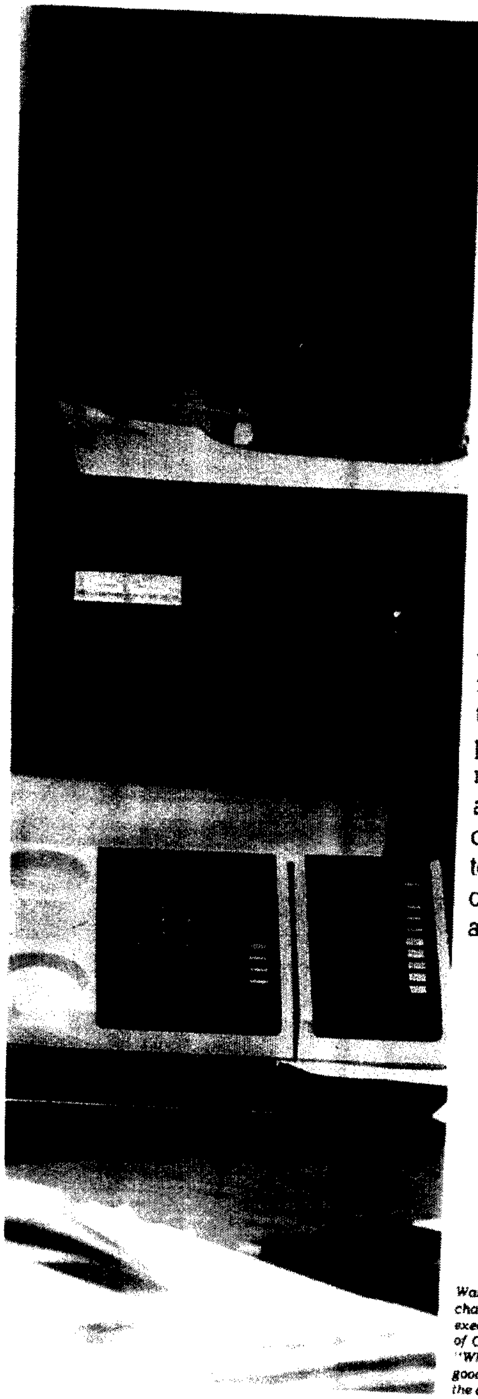
The New York Times Magazine
MAY 29, 1983 / SECTION 6



Citigroup Inc. v. Citiair, LLC
Opp. No. 91201920
Opposer NOR Ex. 509



The New York Times Magazine MAY 29 1983



INSIDE CITICORP

THE CHANGING WORLD OF BANKING

The world's largest and most powerful banking organization has revolutionized the industry, prodding regulators and pushing competitors toward new opportunities and new risks.

By Robert A. Bennett

STANDING TALL IN HIS CORNER OFFICE, looking down on Park Avenue from the 15th floor, Walter B. Wriston, chairman of Citicorp, offered this comment on his 13 years in the job: "Whether you think it's good or bad, we've changed the environment." It was a large claim, modestly stated, and it was indisputable.

When Wriston joined First National City Bank, Citicorp's predecessor, he recalled, "I sat at a rolltop desk and waited for customers." Back then, in 1946, most bankers were careful, stodgy types who provided safe harbors for their depositors' money and served as exemplars of American thrift and probity. Today, the major banks take big risks in search of big profits and hawk their wares unashamedly. They are run by ambitious, aggressive businessmen. And more than any man, the Citicorp chairman — an unabashed apostle of laissez-faire capitalism — is responsible for that change.

Yet that is only part of the story of how Wriston has "changed the environment." As chief executive officer, he has also molded the firm into the world's largest and most powerful banking organization — a holding company made up of Citibank plus a variety of ventures from finance companies to credit-card operations. Citicorp's 1982 assets of $130 billion would have paid half of that year's defense budget. He has thrust his bank into the consumer market, nationwide, at a time when some bankers are trying to get rid of retail accounts or to serve only wealthy individuals. And, perhaps most important of all, he has smashed through boundaries of law and tradition that placed limits on what a bank could do.

The Wriston vision of the role of Citicorp represents nothing less than a revolution in the way banks operate. He sees Citicorp as one of a handful of financial supermarkets — including the likes of Prudential-Bache and Merrill Lynch — that will be able to handle virtually any transaction. These giants, communicating with customers by means of computer terminals in the home, will sell stocks and bonds and insurance and even permit a customer to shop for food and clothing without moving from his chair.

In fact, Wriston has already pushed Citicorp well along that path. Spending hundreds of millions of dollars on new technology, he has made Citicorp a pioneer in automated banking machines and in interactive home computers. He has widened the horizons of his bank to encompass insurance and brokerage services. And he has actually set up Citicorp to compete with commercial companies in data-processing and communications, with a side venture or two in publishing and the hotel business. All along the way, he has stirred a hornet's nest of controversy.

Walter B. Wriston, chairman and chief executive officer of Citicorp, in his office. "Whether you think it's good or bad, we've changed the environment," he says.

Robert A. Bennett covers banking for The Times.

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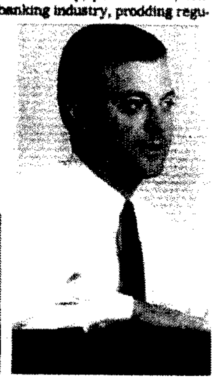
The leading candidates for the top job at Citicorp (from left): Thomas C. Theobald, 46, handles corporate and government clients; Hans H. Angermueller, 58, directs lobbying efforts; John S. Reed, 44, specializes in the consumer market and technology.



The Citicorp management system gives supervisors a remarkable degree of autonomy — and turns them loose on their competitors, inside and outside the bank.

On Aug. 3, 1984, Wriston will reach the bank's mandatory retirement age of 65. In most major corporations, a chairman about to depart seeks to have a publicly anointed successor in place at least a year ahead of time; it makes for a smooth transition. The unconventional Wriston, typically, has taken a different tack. Last year, when his closest associate, William I. Spencer, retired as president and chief operating officer, Wriston had a natural opportunity to indicate his choice. Instead, he promoted the *three* men who have been considered the most likely candidates. He made them vice chairmen, gave them identical salaries and bonuses — $560,842 last year — and let it be known that his successor would probably, though not necessarily, be chosen from their ranks. The actual decision is not expected to be announced until just before Wriston's retirement.

The job in contention carries an amazing set of opportunities and chores. The chairman is consulted by the White House on national economic policy. He rules an empire of 59,000 people in 2,437 offices in 95 nations, all linked by a remarkable and remarkably expensive communications network. His pay is $1,137,393, highest in the banking industry.

And the outcome of the high-pressure horse race will almost certainly make a difference. Will Citicorp, post-Wriston, continue to be the bulldozer of the banking industry, prodding regulators and pushing competitors toward new opportunities and risks? Or will the new chairman take a more cautious and conciliatory approach?

As the months pass, the answers are sought more and more in the persons and track records of the three main contenders:

■ Thomas C. Theobald, 46 years of age, quietly governs the bank's biggest profit machine, the departments devoted to corporate clients and governments ranging from the powers of Western Europe to the financially crippled countries of the third world.

■ John S. Reed, a 44-year-old engineer, has masterminded the bank's invasion of the consumer market and its hard-nosed approach which shunts low-balance customers to banking machines and gives high-balance customers a chance at tellers and officers.

■ Hans H. Angermueller, a European-born lawyer, is an affable 58-year-old who commands the company's tough, controversial lobbying efforts.

Meanwhile, Walter Wriston pursues his course, refusing to tip his hand, maintaining control until the last possible moment. He is a man of uncommon intellect with a sense of mission, an entrepreneur who takes the long view. Yet he and his bank have few friends in the industry. Normally reticent bankers talk openly about Citicorp's "arrogance."

Muriel Siebert, former New York State Superintendent of Banks and now head of her own discount brokerage firm, offers this comment: "When you're extremely aggressive, you're going to step on a few toes. People might respect you, but they won't love you."

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The chairman of Citicorp has a strong sense of himself that is rooted in family — a grandmother who traveled out to Colorado in a covered wagon, a father who was a noted historian and president of Brown University. A sense of history was nurtured at Wesleyan University and at the Fletcher School of Law and Diplomacy at Tufts University. He is a big man, 6 feet 4 inches tall, with a deep voice to match, and he speaks slowly, deliberately.

The world, he said, is in the midst of a great transformation, comparable to those of the Renaissance and the Industrial Revolution. Rapid technological advances, especially in finance and communications, are drastically reducing the work force in heavy industry. Meanwhile, demand grows for more sophisticated workers in such service industries as finance and communications. Distinctions between businesses are becoming blurred.

In such an atmosphere, he said, banking must have broader goals. Bankers must consider all of the financial needs of their customers, not just deposits and withdrawals. The movement of money today simply requires some split-second electronic instructions to shift funds from one account to another. That, Wriston decided, makes banking part of the communications business.

"When a customer asks you to do something," he said, "either you find a way to do it or you lose a customer." And who is the competition? Sometimes Wriston mentions Morgan Guaranty, which has a consistently better profit performance than Citicorp. (Morgan, however, caters exclusively to large corporations and governments and a relative handful of wealthy individuals, while Citicorp aims at everyone, rich and poor alike.) Otherwise, Wriston sees his competition as being Merrill Lynch, the American Telephone and Telegraph Company, Sears, Roebuck & Company, Prudential-Bache and the American Express Company. They are the companies that march to the same drummer: Watch Prudential-Bache trying to buy a small bank in Atlanta or Merrill Lynch pursuing a savings-and-loan association in New Jersey. "I get up in the morning," Wriston said, "and turn on 'Good Morning America' and see Sears ads. You have to be crazy not to perceive that these people have a tremendous franchise on the American people."

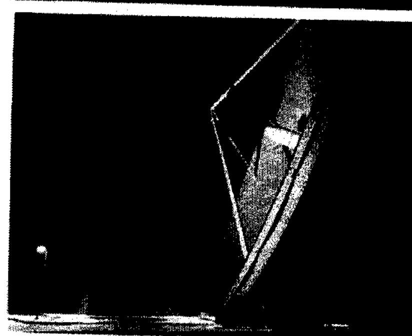
For years he has warned his fellow bankers that they were in danger of becoming 20th-century dinosaurs, destroyed by these nonbanking predators. He urged his peers to join in battling for changes in laws that were enacted, originally, to protect bankers but were now making them uncompetitive. The law restricting the amount of interest banks pay on consumer deposits, for example, had assured the institutions a source of cheap money. The prohibition against interstate banking had kept banks across the country safe from the incursions of the handful of giant, would-be national banks. Such laws, he argued, had to go.

WRISTON'S WARNINGS WERE pretty much ignored until the early 1980's. That was when money-market mutual funds, which had been introduced a few years earlier by securities firms, suddenly came into their own. The money funds were not limited in the interest they could pay, nor were they bound by geography. A toll-free telephone number made it possible for them to win customers from all over the country. When short-term interest rates started to soar, the money funds were able to pay up to 17 percent while Federal law kept the banks to 5¼ percent on savings accounts. The funds drew billions of dollars out of the banking system.

Once the banking industry recognized the truth of Wriston's warnings, other bankers swung into his corner and the process of legislative change began to heat up. In fact, as of last Dec. 14, banks were allowed to compete directly with the money-market funds by offering Government-insured money-market accounts, on which a bank could pay any amount of interest it wished. Since then, the money-market accounts have soared above $350 billion, while the assets of money market funds have plummeted.

The attempts to find loopholes in existing laws and regulations, by both banks and nonbanks, have reached such a pass that Donald T. Regan, Secretary of the Treasury, and Paul A. Volcker, chairman of the Federal Reserve Board, recently called for a breathing space until Congress has a chance to decide just how deregulation should come about.

Through the years, Wriston has been putting his bank into new fields, some almost unimaginable for a banking organization. Last month Citicorp opened a hotel and conference center in North Rye, N.Y., with 276 guest rooms; only 40 percent of the center's business will come from Citicorp. The bank also sells the publications produced by its economics department and even went into publishing, turning out books about banking



High-tech banking: Left, a Citicorp satellite-transmission dish in New Jersey. Above, technicians at New York headquarters monitor the worldwide communications network

Wriston has used technology as a key wedge into new businesses. His face lights up with a grin when he describes the spread of technology through the bank — even to the headquarters office, where robots move through the corridors, stopping at each desk to deliver the mail.

Citicorp determined to turn out its own, tailor-made equipment for the transmission of voice and data, making the bank independent of such common carriers as telephone companies and Western Union. The company designed and produced its own internal telephone system, for example, and laid its own fiber-optic transmission cables under the streets of New York. Just last year, Citicorp became the first financial institution to purchase its own transponder on a space satellite — and the first bank to apply to the Federal Communications Commission for licenses for microwave broadcasting in more than a dozen metropolitan areas around the country.

Along with a historical perspective and a taste for technology, Wriston brought to his job an ardent devotion to free enterprise. He is convinced that the fairest and most efficient way to increase general prosperity is by giving free rein to market forces. A good friend, admirer and sometime tennis partner of Milton Friedman, the conservative economist, Wriston is one of the strongest business backers of President Reagan's policies. "I was and am a big supporter of attacking budgetary problems on the spending side," he said. "I was and am a supporter of moderate and steady monetary growth. I was and am a supporter of decontrol of oil prices and the deregulation of industries."

Wriston and Ronald Reagan met years ago, when the banker was chairman of the Business Council — it is made up of current and onetime heads of major American companies — but the two men were not close. When the Reagan campaign for the Presidency began, Wriston became part of a group of advisers led by George Shultz. "Over a long weekend in Los Angeles," Wriston recalled, "we put forth our recommendations on economic policy." When Shultz became Secretary of State, the President called upon Wriston to take over as chairman of what is now called the President's Economic Policy Advisory Board. "We meet four to five times a year," Wriston said, "and we are on call. Usually the President spends 35 minutes to an hour with us at the conclusion and we articulate our consensus. In the last two years, he has called me three or four times."

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Walter Wriston's economic philosophy shows up in Citicorp operations. He was convinced, for example, that the policies adopted by the Federal Reserve System late in 1979 would bring down soaring interest rates. Though Wriston insists there was no directive from the top, the bank's money managers all-but-unanimously bet on falling interest rates — and when short-term rates rose instead of falling, Citicorp suffered major losses. As several Citicorp executives say, the idea that

The bank's Park Avenue main office. Citibank customers, especially those with low balances, are increasingly encouraged to use machines rather than tellers.

the Reagan policies would work had become an institutional article of faith.

Wriston's devotion to the ideals of competition and entrepreneurship fit well with the bank's traditional image. And they served him well when he became Citicorp's president and chief executive officer in 1967. The nation's leading bankers were dissatisfied; their counterparts in other industries were guiding their companies into ever larger enterprises, pushing up the value of the company stock and reaping huge salaries for their efforts. The bankers were at the bottom of the corporate totem pole on all three counts. It was time for a change, time for a tough new breed of entrepreneurial banker.

Wriston built a management system that gave supervisors a remarkable degree of autonomy — a "meritocracy," he called it — and turned them loose on their competitors, inside and outside the bank. No manager, for instance, is required to use the bank's own communications network, in spite of the many millions of dollars spent to develop it. Communications is viewed as a separate profit center that is expected to "sell" its services to other profit centers within Citicorp by providing cheaper and better service than outside suppliers could.

Until a few years ago, every officer was expected to produce quick results — so quick that he or she would be promoted within nine months or a year of taking a job. Failing that, the employee was expected to look for work elsewhere. The atmosphere was supercharged, intended for the discovery and nurture of superstars, and Citicorp had no trouble attracting the best and brightest of college graduates. "We looked for people who were very, very motivated," said Rick Roesch, head of personnel.

The world, says Citicorp's Wriston, is in the midst of a revolutionary transformation. Distinctions between businesses are becoming blurred.

Yet the entrepreneurial philosophy sometimes produced managerial chaos. Account officers, for example, never stayed in place long enough to develop close working relationships with corporate treasurers or other important banks. And unless the bank kept growing, there would be no room for these upwardly striving dynamos.

Of course, Citicorp did grow mightily, its assets soaring from $26 billion in 1970 to $130 billion last year (see chart, page 19). But even Citicorp began to realize that growth without comparable profitability was dangerous. Today, managers spend as much as five years in a post without being considered in eclipse.

The 28 senior executives who make up the Policy Committee keep an eye on all the bank's managers, but one group gets special attention — those making up what the bank calls its Corporate Property. It consists of some 75 managers who were recognized early as having top leadership potential. On the executive floor, locked away from prying eyes, sits a large board on which are displayed the photos and biographies of the current crop of people making up Corporate Property. Once picked, they are watched and moved carefully from job to job to give them maximum scope and responsibility. Their photos remain on the board just so long as they live up to expectations.

Citicorp places great emphasis, these days, on words like "teamwork," and that applies to the men at the top — the chairman, the three main candidates for his job and Paul J. Collins, who was named last year to head a cluster of functions including government bond trading and the economics department. Theobald, one of those candidates, described the atmosphere in these terms: "The five of us are in a small space. We run in and out of each other's offices. You don't need formal meetings if the people have substantial knowledge of what they're talking about. We've all worked together a long time."

Yet Citicorp remains, at heart, the tough, competitive place it has always been — even as it seeks to soften its image. The three candidates on the 15th floor, for example, are going to behave like teammates, no matter how they may feel privately about each other, because that is one of the factors on which they will be judged.

Behind his desk, an oval slab of green marble on a chrome pedestal, Thomas Theobald leaned back in his chair, hands clasped behind head. He is tall, lean and 46 years of age, and he rides herd on the so-called Institutional Bank. His piece of the Citicorp pie — the corporate and government clients — produces the lion's share of company profits. In fact, all by itself, the Institutional Bank yields larger earnings than those of any other banking organization in the country.

Theobald has been with the bank since 1960, after graduating from Holy Cross College and the Harvard Graduate School of Business Administration. He is a cabinetmaker by avocation, married, as he put it, to a "Rose Kennedy mother of four kids." As to the race for the top: "Competing for that job might represent only 5 percent of a person's environment."

Yet it is evident that he wants the job. His problem has been the need to demonstrate his ability dramatically in a part of the bank that was already running smoothly. Theobald feels he has accomplished that; he claims, for example, to have redefined corporate banking.

Theobald explains that multinational corporations with thousands of employees and hundreds of facilities around the world have accounts in hundreds of banks and must perform thousands of financial transactions every day. In years past, Citicorp would work for such a client on a piecemeal basis, but Theobald changed that. Today, Citicorp is in pursuit of a total relationship.

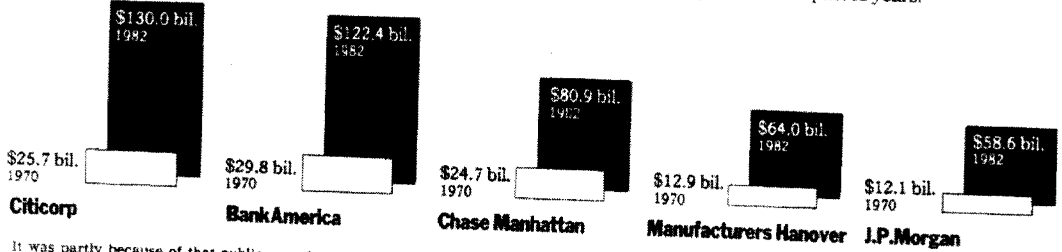
Using its highly sophisticated electronic capacity and its unmatched network of branches around the world, the bank enables the treasurer of a multinational corporation to keep track day by day of its global finances and move its money anywhere in the world via Citibank-supplied computer terminals.

Theobald presides over Citicorp's international lending. It amounted to $68 billion last year, more than 60 percent of all the bank's lending. It can be a lucrative business.

Citicorp's $25 billion in "local currency" loans, for example, are made by the bank's overseas branches and subsidiaries within foreign lands. These loans are made using local deposits and therefore do not represent a foreign-exchange risk. In many third world countries, such as Brazil, the bank can charge interest rates that are far higher than the rates it must pay for its own funds. Brazil accounted for more than a fifth of Citicorp's total earnings last year, even though only about 4 percent of the company's total assets were in that country.

Yet international lending can have its problems. At year end Citicorp had about $43 billion of dollar-denominated loans to Brazil, which — like a number of Latin American countries to which Citicorp has made huge loans — is having serious troubles meeting its payments. The bank is confident that over the long run it will collect, but not everyone is so sure, and that has raised questions about Citicorp's future. Many analysts believe that Citicorp's stock price would be much higher but for the bank's heavy dependence on foreign earnings.

BANKING'S BIG FIVE Rated in terms of assets, Citicorp far outstripped its competitors in the past 12 years.



While its sheer size is staggering, Citicorp has lagged behind Morgan Guaranty in profitability — largely because Morgan has limited itself to only the largest corporate, government and individual clients.

It was partly because of that public uneasiness that Walter Wriston determined, almost a decade ago, to increase the size of Citicorp's domestic business. The more he looked, the more he came to the conclusion that there was only one piece of the domestic market that was large enough to make a significant impact on Citicorp's prospects. He set his cap for the consumer.

IN KEW GARDENS, A MIDDLE-INCOME NEIGHBORhood in Queens, Citicorp's bank of tomorrow stands open for business. Its roof was leaking a bit during a recent rainy-day visit, but the building was a vast improvement on the usual drab branch office. The customer enters past a glass-enclosed atrium. An Oriental rug hangs on a far wall and two slate-blue couches face each other on a slate-blue carpet atop a floor of genuine slate. But there are no human tellers in sight, just automatic teller machines.

If the customer keeps walking around corners, he will come upon a counter supervised by humans. One section, labeled "Special Services," is where such items as travelers checks and money orders are for sale. Another part is labeled "CitiExpress" and is reserved for those who maintain at least $5,000 in Citibank accounts. A separate area, labeled "Priority Services," is available for customers who keep at least $25,000 on deposit. Those with less than $5,000 in the bank must use the machines for such routine transactions as making deposits and withdrawals or switching funds from one account to another.

The theory is that human tellers will be retrained as salesmen of financial "products" — a favorite Wriston word — such as individual retirement accounts and discount brokerage services. "Priority" customers will be able to call upon their own "account officer" for financial errands and advice.

This new division of labor between man and machine, being tested at a number of branches, is a key element of the bank's consumer strategy, which is transforming the look of banking. Here, as elsewhere, Citicorp is an industry pioneer, willing to risk hundreds of millions of dollars in hope of moving ahead of the pack. The man who stands to win the most — or lose the most — in that process is John Reed, the vice chairman who runs what is known at Citicorp as the Individual Bank and also supervises technological research and development.

His office has a modern flair, including a striking photograph of the Galilean moons as viewed from the Voyager I spacecraft, and Reed has a modern turn of phrase. "I am a change agent," he was saying, "and change is disruptive." A 44-year-old engineer with a master's degree from the Massachusetts Institute of Technology, Reed has spent most of his 18 years at Citibank making waves.

When he arrived, the bank had no overall budget, and his first major chore was to help pave the way for what he calls "a budget-minded environment." As he put it: "I ran the place very aggressively. A lot of people left. I was considered tough and unyielding." All of which, combined with a sometimes abrupt manner, won him few friends. "Wriston used to speak to me about it," Reed said.

During the early years of his reign over the Individual Bank, Reed's popularity among his fellow executives dipped even lower. Losses in his bailiwick reached hundreds of millions of dollars, resulting in the reduction of annual bonuses. Last year, the bank says, the consumer side made money (it declined to say how much) and according to Reed, his personal stock has been turned around, too. "If you deal with me one-on-one," he said, "I'm too relaxed, and I consider myself a pushover."

Still, that is not the first word that springs to competitors' minds when they speak of Reed, in particular, and Citicorp's consumer operations in general. When losses on the bank's consumer loans rose sharply in 1979 and 1980, Citicorp recouped by invading the mortgage business, traditionally the mainstay of the savings and savings-and-loan banks. (Since home is the last thing a family wants to lose, payments on mortgage loans are relatively dependable.)

The invasion came just as these thrift institutions were reeling from high interest rates. The vast majority were losing money and hundreds were on the brink of failure. Citicorp took that moment to push what it calls its "shelter" portfolio, which consists of first and second mortgages and loans on homes and cooperative apartments and condominiums. The bank's domestic "shelter" portfolio soared from $3.2 billion in 1979 to $9.3 billion in 1982 — this during a period when the housing market suffered one of its worst declines.

Citicorp's turn to automated tellers has earned its competitors' grudging respect and imitation. The machines are far more profitable than their human counterparts — machines cost less to maintain and already handle three times as many transactions a day.

Many New Yorkers have taken quickly to the machines, which are widely scattered throughout the metropolitan area. One of their biggest attractions is that they can be used day or night, inspiration for the slogan "The Citi Never Sleeps." Yet the machines have also stirred deep resentment among some people who view automation as a "dehumanizing" way of delivering banking services. There was also objection to the discrimination against customers with small balances. In fact, Citicorp has recently been restoring teller service at some branches where it had been excised.

Today New York, tomorrow the world. In effect, that's John Reed's goal for Citicorp, and one major means to that end is the plastic card. The bank already has its share of plastic. It is blitzing the country with its own MasterCard and Visa credit cards. It has bought out both Diner's Club and Carte Blanche, the travel-and-expense cards. It has the Citibank card, which enables a customer to use the banking machines. What Reed envisions, though, is a single piece of plastic that embodies the financial potential of all the other cards and — the joker in the deck — can be used anywhere in the country.

The ultimate financial tool, though, is HomeBase, a system that allows customers to do most of their financial chores from home, including the opening of additional accounts, an update on existing accounts and on credit-card balances, payment of bills and a chance to keep up on financial news. HomeBase's

CITIBANK

Left: The bank's London office. Citicorp comprises 59,000 people in 2,437 offices in 95 nations, all linked by a remarkably expensive communications network.

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several hundred pioneering customers are linked to the bank by a combination of personal computers and television sets. They pay $10 a month for the service. The bank foresees the day, Reed says, when such a system will "deliver the news, buy airline tickets, get theater listings."

Last year Congress passed a law that specifically prohibited bank holding companies from engaging in most facets of the insurance business. Two months ago Citicorp announced its plans to acquire a tiny bank in South Dakota as a way of entering the insurance business. The theory is that Citicorp, by doing its insurance business through a state-chartered bank, would be able to circumvent the new Federal law.

Ask Walter Wriston what his main goal as Citicorp chairman has been, and he'll come up with the same answer every time: profits.

The South Dakota purchase requires approval by the Federal Reserve Board, and the Fed has traditionally frowned upon such would-be invasions of the insurance field. But the back-door approach is vintage Citicorp, both as to its ingenuity and its boldness. It has worked very well in the past. For two decades Citicorp has been trying to strip away the layers of regulation. The campaign is at the heart of Walter Wriston's plans for Citicorp as financial supermarket, and the man who runs the campaign is Hans Angermueller.

Citicorp's chief lobbyist was leaning forward across his desk, one recent afternoon, talking about his mission. "The message I would like to convey," he said, "is that we are not satisfied to be a creature of our environment." The words were militant, but the manner was easy — much-bitten fingernails were the only signs of stress.

Angermueller is popular

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CITICORP

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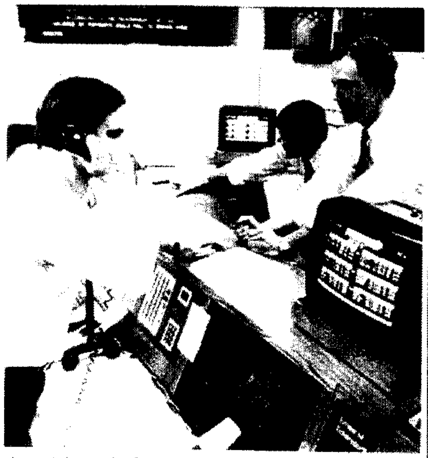

A quiet day in the foreign-exchange trading room at Citibank.

Because of New York's usury laws, the bank soon found it was paying more for its money than it was receiving on its consumer loans. Losses were mounting into the hundreds of millions of dollars.

among his colleagues. One described him as a "teddy bear," a friendly man without great pretensions. Though a painter himself (colorful murals of European landscapes cover the walls of his home), he made no claims to expertise when a visitor suggested that the prints on his office walls might be lithographs. "Don't ask me," he said with a grin. "They're from the bank's collection."

At the age of 58, Angermueller is considerably older than his competitors for the chairman's post, and he is not a traditional banker. He has never made a loan or taken a deposit. His two graduate degrees from Harvard University are in engineering and law, and he was a partner in the bank's outside law firm when he was wooed over by Wriston just 10 years ago.

Angermueller's basic strategy as a lobbyist is to find the weakest link in the regulatory or legislative chain. If his efforts with Congress fail, he will often focus on changing laws in individual states, thereby bringing pressure on the whole system.

In 1979, when the Federal Reserve Board shifted the focus of its policy to controlling the money supply and away from concentrating on interest rates, the rates began to soar. Because of New York's usury laws — prohibiting banks from charging more than 12 percent on most loans and 18 percent on most credit-card balances — Citicorp soon found that it was paying more for its money than the rate of interest it was receiving on its consumer loans. The bank's losses in this area were mounting into the hundreds of millions of dollars.

Angermueller and his team had been lobbying the New York State Legislature for years to eliminate the usury laws, but to no avail. Then Citicorp found an obscure law that said that a Federally chartered bank would be bound only by the usury laws of the states in which it operated. Angermueller also knew that the Federal laws that restrict interstate banking do not apply if a state has legislation that specifically

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CITICORP

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Computerized check clearing at Citibank. The bank is betting on technology to boost profits.

A customer uses his in-home computer-banking setup. Citibank has targeted the consumer market.

welcomes entry by out-of-state banks.

So Angermueller looked around and settled on South Dakota. His agents wined and dined the state's political leaders, promising that if South Dakota changed its laws to allow Citicorp to establish a Federally chartered bank there, and if it removed all its usury laws, Citicorp would switch most of its credit-card processing operations from Huntington, L.I., to Sioux Falls. For a state with so small a population, the 2,000 jobs involved in the move would make a big difference. In the meantime, Citicorp was increasing its pressure on the New York State Legislature to eliminate its usury laws — threatening the loss of those jobs.

South Dakota bought the Citicorp package. And eventually New York voted to drop its own usury laws, making a major contribution to the strong rise in Citicorp's earnings in recent months. But Citicorp kept its promise to South Dakota and shifted the jobs to Sioux Falls.

Since then, Angermueller has been pursuing his goals in California, Florida, Maine and several other states.

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Ask Walter Wriston what his main goal as Citicorp chairman has been, and he'll come up with the same answer every time: profits. Citicorp's earnings during 1982 represented a marked improvement, up about 35 percent from the previous year, but between 1976 and 1981 earnings rose by only about 8 percent annually, barely enough to keep up with inflation.

Some of Wriston's critics say that the bank's do-it-yourself plunge into technology played a role in that record. Wriston, however, insists that the bank invested heavily "not because we wanted to play Pac Man" but as a practical, dollars-and-cents matter.

One aspect of the bank's effort to increase profitability has been an emphasis on tax-saving measures. It has, for example, moved some of its operations to Delaware from New York to take advantage of Delaware's lower tax rate. Other efforts to save taxes got the bank in trouble. A former employee, David Edwards, charged that Citicorp between 1973 and 1980 had circumvented and, at times, violated the foreign-exchange and tax laws of other nations. The Securities and Exchange Commission decided not to prosecute the bank, ignoring the recommendations of its enforcement division. Citicorp said its practices were "basically proper." But the House Energy and Commerce Committee's Subcommittee on Oversight and Investigations opened hearings on the matter last fall, and Wriston has been asked to testify next month.

Citicorp's aggressive expansion into new fields has antagonized many competitors. Its efforts to obtain microwave broadcasting licenses, for example, have been bitterly contested by some common carriers.

Wriston's prescriptions for the financial industry have also spurred controversy. Some critics, for example, contend that the dropping of Government restraints on the interest paid on consumer deposits has had negative social effects. When the cost of attracting consumer deposits rose, the banks in turn increased the interest rates they charged on loans, particularly to small businesses and to individuals. They also increased the fees they charged on a broad range of services from credit cards to checking accounts. The effect has been to make banking far more costly, and less available, to people with small balances.

There is also concern voiced by critics that, in the long term, the handful of giant financial supermarkets envisioned by Wriston will take over the marketplace, forcing smaller companies to the wall, wielding economic power beyond control.

Citicorp and its supporters, by and large, rest their case on the free market as the fairest and most reasonable arbiter. They say that the growth of financial supermarkets will actually increase the competition for services, bringing prices down.

Wriston and his aides project a rosy future for the bank, but what direction will it take? The outgoing chairman has a great influence on the choice of his successor, but the actual decision rests with the other 26 members of the board of directors. They include Clifton C. Garvin Jr., chairman and chief executive officer of the Exxon Corporation; John W. Hanley, chairman and chief executive officer of the Monsanto Company, and James H. Evans, chairman and chief executive officer of the Union Pacific Corporation.

Evans recently said he expected the new chairman to "carry on the policies and traditions" of the Wriston era, and that same theme is echoed by the three major candidates. It is a given of their candidacy. Yet some are more clearly in the Wriston mold than others.

In the banking community, John Reed is viewed as most likely to echo his mentor in all things, to maintain the "permanent revolution" within Citicorp. Thomas Theobald is seen as being as tough and aggressive as Wriston but less abrasive and less doctrinaire politically. Hans Angermueller, the nonbanker, would likely be a more passive leader, an ardent supporter of the bank's decentralized structure, leaving the two younger men to run their own shows.

The choice is sure to make a difference, as Walter Wriston himself would be the first to agree. He has a strong appreciation for the human factor. In his office, one recent afternoon, Wriston turned from talk of technology and expansion to speak of banking basics. "The nuts and bolts of lending money," he said, "is getting it back. And that still depends upon human judgment." He paused a moment, then went on. "At the end of the day, there's a loan officer sitting there." It seemed an apt image of ultimate responsibility for a man nearing the end of his corporate day atop Citicorp. ■

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Citigroup News

Article 4 Return to Headlines

Coverstory

Living Richly at Citibank Means There's More to Life Than Money

by Bob Kapler

03/20/2001
Financial Services Marketing
Page 12

When the creative types at Fallon Minneapolis were handed a nine-figure check to turn **Citibank** into a household name, they were asked to target the vast middle class-some 91 million Americans. **Citibank** specifically wanted its commercials and ad copy to reflect the same sets of beliefs and core values as those held by the common wage **earner** .

So it might seem strange that Fallon contacted filmmaker Errol Morris, best known for his acclaimed documentary, "The Thin Blue Line," a scorching account of murder and police malfeasance that led to the exoneration of a wrongly accused man. Morris was not exactly the kind of director you'd expect to be intrinsically involved in turning a financial institution into the next Nike.

But then **Citibank** is not your garden-variety global brand, and the last three years have been anything but ordinary, even by Citi standards.

Back in 1998, not long after Citicorp's merger with **Travelers Insurance** , Citigroup chairman and co-CEO John Reed blithely announced that **Citibank** was shooting for the one billion-customer mark by 2010. While that remains an elusive goal-credit card holders, the largest consumer base, number around 90 million-Citigroup is enjoying salad days in the new millennium, thanks to its biggest and most visible child, **Citibank** .

It's been a helluva ride. After the merger, **Citibank** entered a rocky period that culminated with Reed's retirement, leaving Sanford I. Weill alone at the helm of what is now a $900 billion financial aircraft carrier, the largest banking company in the nation (with J.P. Morgan Chase and Bank of America plying its wake).

Restructuring of the new Citigroup involved hiring some fresh marketing blood to help veterans such as Anne MacDonald put a whole new face on the bank. This led to bold measures: A nationwide search caused Citi to dump Young & Rubicam, the venerable New York ad agency it had used for years.

"We began to really look at how to create a tighter bond with customers and strengthen the Citi brand," says MacDonald, head of global marketing. "But (first) we needed to do some serious work in getting our products, employees and services up to where we wanted them to be, which is always what you need to do first."

Last summer, after a four-month pitch that involved seven contenders, Fallon Minneapolis was named as Citi's new agency. New York-based Pentagram was tapped to redesign the logo. The central criteria was consistency-that product and service ads be "vacuumed up into the message we're delivering in brand," says David Lubars, president of Fallon.

Anne Bologna, director of account planning at Fallon, says the Citi team "got their marketing act together in a big way and became very serious about being considered a global brand-similar to Nike or Sony-and not just a successful bank."

That may be the biggest understatement of the year. The bank committed to a $100 million campaign-reportedly more than half the amount the bank spent over the past five years combined-to promote its brand, branch network and credit card company. It also marks the bank's first major marketing blitz since its "The Citi Never Sleeps" campaign-spots which ended in the early '90s.

In January, **Citibank** launched its new ad campaign to complement its rebranding effort, tapping into the middle-class zeitgeist with TV spots and print materials that position the bank as a **life** partner-a dramatic departure from the "Who needs marketing?" posture for which it had become known. If **Citibank** were going to become a global brand, then it would have to speak to the millions of consumers who could make such an ambition reality.

With Travelers, **Salomon Smith** Barney and, most recently, European American Bank, under its new umbrella-like logo, all signs point to Sandy Weill making **Citibank** the McDonald's of banking on a global scale.

"There's a great deal more thoughtfulness about what they're doing these days, and things are being hooked more tightly to the business," says Lee Spirer, vp of financial services practice at Mainspring. "Not that they've stopped experimenting or trying to move quickly, but they know why they're doing things now."

Despite recent growing pains, the company is still keen on trying out new technology, a lesson learned from the success of its once-derided investment in an ATM infrastructure more than 15 years ago. In June, rival Chase boasted that it would bring Yodlee's account aggregation technology to on-line customers in the fall. A month later, **Citibank** had the service up and running on its MyCiti.com site. The latest blow to newly merged J.P. Morgan Chase was Citigroup's purchase of EAB from Dutch giant ABN Amro, effectively doubling **Citibank** 's core footprint in the metropolitan New York area to 180 branches and creating assets to take its other 190 branches even further afield.

All of this good fortune is somehow reflected in its new campaign, summed up in the tagline, "Live richly." The slogan, like the ad campaign itself, speaks to making **Citibank** a partner in a consumer's quest to achieve **life** goals. Primarily, it appeals to a desire for balance in **life** and is based on the belief that, in these we're-up-we're-down times, regular people seek not riches but to "live richly," finding more time for family and self-gratifying pursuits while achieving financial security.

The "balance-seeker" was discovered by comparing off-the-shelf marketing data against in-house research of Citi's customer base. "In the 1990s, you're watching 'Who Wants to Be a Millionaire,' or it's hanging over your head that you should be a 28-year-old dot-com superstar. But for most of the country and the world, that's not part of their reality," says Fallon's Lubars.

"There's a guy who is 51 years old, makes like $59,000 a year and has a wife and two children, and he feels guilty and bad. Why? What's wrong with that? We're just trying to say nothing is wrong with that."

The spots come in three flavors, one for brand-building, a second to promote Citi's credit card business and a third to highlight the financial advice available through **Citibank** 's branch network. Each set of ads has a different director: Morris handled branding, David Deneen did credit cards, and Craig Gillespi took on branch-based financial advice.

For the brand spots, Morris literally pulled non-actors off the streets of America, and the ads nearly glow with warmth and humility.

In one spot, a dad-sized arm swings an adorable toddler who is just out of focus. "Count your blessings" reads the screen text. "There's more to **life** than money. Live richly." A cute teenage girl makes faces. "Investments mature. You don't have to." A gray-bearded hackey sack player **shares** the frame with "If time is money, splurge." A young guy sings while strumming a ukulele. "There are very few songs inspired by market indexes." A grandpa plays a mirror-cracking version of "Home on the Range" on a trombone with the text "Dirty, rotten, filthy, stinking happy." He breaks into laughter.

The funny credit spots absurdly depict power overkill, such as a building demolition company destroying most of a city because "we had some extra explosives, we thought, 'Why not?'" The message: "Spend wisely, seek balance, live richly."

A hilarious financial adviser spot has a budget-conscious dad-to-be confiding to a nurse "We're actually okay, if you want to clock out." In another, a father does everything to keep his teenage son awake at night, even letting a squirrel loose in his room, to ensure that he doesn't do too well on his SAT. "If he goes Ivy League, we're toast."

The print ads present images of the good **life** , with a friendly bromide or two about "balance" being "an endgame thing" and maintaining "dollars and sense." The common thread is the new crescent logo, which borrows from the Travelers umbrella logo but also conjures a rising sun.

Does the $100 million campaign work? The early consensus seems to be, 'Yes.' "The intent goes to achieving **life** goals, not necessarily even financial," Spirer says. "Reaching out to different people, putting the bank in a partnership position may be something that allows (**Citibank**) to play in an up or down market. So it could turn out to be a great thing during this down period."

Paul Jamieson, an analyst with Gomez Advisors, says **Citibank** 's "soft positioning" as a "lifelong companion" makes the bank relevant to a consumer, no matter what **life** phase they might be in. "What they're really speaking to is what consumers desire these days, which has less to do with saving money and more to do with saving time. They're saying: 'Concentrate on the things that make **life** rewarding; we'll take care of the complicated stuff.' It's a great message," he says.

In one sense, the metamorphosis of **Citibank** into a mega-brand has been in the game plan since the Travelers merger. Citicorp was so confident that convergence was in the cards for the banking industry that it obtained a waiver from federal rules that maintained walls between the various financial services. That waiver allowed Citi to establish a financial holding company even as it lobbied for legislation to tear down those walls. The result of its efforts, and those of other large U.S. banking interests, was the Gramm-Leach-Bliley Act of 1999.

The act permits a bank to also own companies that sell or underwrite securities, insurance and mutual funds. Aside from establishing a financial holding company, all the subsidiaries must be well-capitalized and well- managed. With brand names such as Travelers and **Salomon Smith** Barney in its stable, and EAB and Associates Capital assets feeding its core businesses- banking and credit cards, respectively- **Citibank** easily meets that requirement and stands to become the biggest beneficiary of the act.

That Citi's new ad campaign addresses consumers' **life** goals and not the bank's technological prowess is no surprise. Sandy Weill never saw banking as a technology game, but rather a business and marketing one that can be enhanced by technology, says Avivah Litan, a senior analyst with GartnerGroup.

The campaign is indicative of Citi's desire to use targeted marketing to help the bank capitalize on opportunities fostered by deregulation and communicate its breadth of offerings and channels. Litan attributes much of the bank's success with its recent Web initiatives, for example, to "very intelligent marketing activities."

Says Litan: "They've been very wise in consumer outreach campaigns." **Citibank** analyzed its customer database to identify the Web-savvy upwardly mobile types who would most likely use its Direct Access service and then sent them e-mails enabling one-step enrollment. At last count, some 3 million users had signed up to control their credit accounts from the convenience of their home PCs. "I know from monitoring the industry that their adoption (rate) is better than anyone else's in that area," Litan says.

With a major expansion overseas continuing at full bore in Europe, Asia Pacific and South America, it's clear where **Citibank** is heading, says Spirer. The EAB deal and the new branding are designed to "put **Citibank** right smack into the consumer space, and they're really the only banking institution with name brand products across banking, brokerage and insurance."

Jamieson concurs: "The one billion customer goal is somewhat downplayed today because it was a Reed initiative, but the determination to make **Citibank** an international financial services company is as strong, if not stronger."

Getting average Joes to buy into its "Live richly" campaign could bring **Citibank** that much closer to its goal.

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The New York Times

January 21, 2004 Wednesday
Late Edition - Final

SECTION: Section C; Column 3; Business/Financial Desk; Pg. 4

LENGTH: 703 words

HEADLINE: Strong Credit Card Portfolio Helps Spur Citigroup Profit

BYLINE: By RIVA D. ATLAS

BODY:

Fourth-quarter profit at Citigroup nearly doubled on the strength of its credit card business and lower litigation costs.

The results, released yesterday, included a $242 million after-tax charge for loan and trading losses tied to Parmalat.

"Our results were a record even with dealing quickly with Parmalat and with some pretty important investments in growth," said Charles O. Prince, chief executive of Citigroup, the nation's largest financial services company, in a conference call with analysts. "We have very good momentum going into 2004."

Mr. Prince, who succeeded Sanford I. Weill as chief executive in October, said the company would look to make niche acquisitions this year and sell divisions that were not crucial to its overall profits. Mr. Weill remains chairman.

Citigroup reported net income of $4.76 billion for the quarter, or 91 cents a share, up 96 percent from $2.43 billion, or 47 cents a share, in the same period a year earlier. The figures reflect a $1.3 billion after-tax charge the company took in 2002, largely to cover regulatory settlements and lawsuits tied to analyst conflicts. Excluding that charge, earnings rose 27 percent, the company said.

Revenue for the quarter rose 13 percent, to $20.2 billion, the bank said. Citigroup also announced a 14 percent dividend increase, to 40 cents a share.

Citigroup earned nearly $18 billion last year, more money than any other United States company has reported or is expected to earn, according to Thomson First Call.

Expenses at the bank rose 4.4 percent from the third quarter, outpacing the rise in revenue. The increase was noteworthy, analysts said, because Mr. Weill was known for being obsessive about cutting costs.

"There appears to be a change in attitude toward expenses," said Richard Bove, an analyst with Hoefer & Arnett, an independent research firm. But some of that, he said, could be explained by the improved business environment, as stronger revenue allowed **Citigroup** to spend more on technology and other areas.

"We are entering more of a growth environment, so at this point making these investments is appropriate," said Todd S. Thomson, **Citigroup's** chief financial officer, in an interview yesterday.

Citigroup benefited from acquisitions it made last year in its credit card business, where profits rose 23 percent, to $1.14 billion. The company completed its acquisition of the Sears card portfolio in November, on the heels of its purchase of the Home Depot credit card portfolio in July.

Consumer finance profits fell 17 percent from a year earlier, as **Citigroup** continued to suffer from losses in Japan. Profits in consumer banking increased 24 percent, helped by its acquisition of Golden State Bancorp, completed in 2002, and continued strength in mortgages.

Still, profits could slow in mortgages this year, with pending financings down 40 percent from the third quarter, Mr. Thomson told analysts.

Profits at **Citigroup's** corporate lending and investment banking division were $1.28 billion for the quarter, in contrast to a loss of $326 million a year ago, reflecting the charge taken by the company to cover the analyst investigation. Revenue from stock offerings was up 42 percent from the prior quarter, but demand for advice on mergers and other transactions remained weak, down 9 percent.

The bank said it had been owed as much as $689 million by Parmalat, but after taking write-downs and reserves on that amount its exposure is now $317 million.

Mr. Prince said the merger between J.P. Morgan and Bank One, announced last week, "validates our business model." The two banks said that the combination would result in a company, like **Citigroup**, with strong consumer and corporate banking businesses. Still, Mr. Prince added, "we're bigger and have a more diversified earnings base." The two banks would still lack a substantial presence overseas unlike **Citigroup**, analysts have said.

The company remains interested in expanding its consumer banking business, Mr. Thomson said. **Citigroup** still lags behind Bank of America in this area, and would rank behind the combined J.P. Morgan and Bank One, in banking deposits, according to SNL Financial, a research firm.

Citigroup shares fell 21 cents, to $49.29.

URL: http://www.nytimes.com

LOAD-DATE: January 21, 2004

The New York Times

December 14, 2004 Tuesday
Late Edition - Final

SECTION: Section C; Column 2; Business/Financial Desk; Pg. 1

LENGTH: 809 words

HEADLINE: Citigroup Says It Will Issue American Express Cards

BYLINE: By JENNIFER A. KINGSON

BODY:

In the credit card world, it pays to be persistent.

American Express, which fought for years for the right to sign deals with United States banks that issue cards on the Visa and MasterCard networks, said late yesterday that it had won a contract with Citigroup, the biggest credit card company in the world.

The deal comes a month after MBNA, the third-biggest credit card company in the United States, introduced its first American Express card, and two months after the final blow was dealt to the exclusionary rules that had kept American Express away from banks.

"This demonstrates how leading banks that could not partner with us because of the illegal barriers that were in place see a value in a partnership and a relationship with American Express," Kenneth I. Chenault, the chairman and chief executive of American Express, said in an interview yesterday.

In October, the Supreme Court decided not to hear an appeal from MasterCard Inc. and Visa U.S.A., the United States arm of Visa International, to a federal court decision that struck down those organization's rules forbidding their members to work with other brands, like American Express and Discover.

The cards, which will show both the Citibank and American Express brands, will be introduced in late 2005. The companies did not disclose the financial terms of their agreement.

Credit card industry specialists had surmised that a deal between American Express and Citibank was imminent. In November, American Express filed a lawsuit against Visa, MasterCard and eight major banks seeking monetary damages for the business it said it lost as a result of the defunct rules. Notably absent from the list of banks were MBNA and Citigroup.

Mr. Chenault said that similar deals were still possible with the companies American Express is suing, which include J.P. Morgan Chase, Capital One, Bank of America and Wells Fargo. "The fact that compensation is owed to us for past misconduct should not stop banks from entering into partnerships with us and doing the right thing for their customers and their shareholders," he said.

While the deal with MBNA was seen as a coup, MBNA positions itself as a back-seat brand to the companies and organizations for which it sells credit cards. **Citibank**, on the other hand, is a marquee name.

With those two lenders in its corner, American Express now has entree to companies that control at least a quarter of the United States credit card market, analysts estimate. **Citibank** and MBNA will both continue to issue the Visa and MasterCard brands, but for the first time American Express cards will be in a good position to steal major market share from them, industry specialists say.

David Robertson, the president of The Nilson Report, a card industry newsletter, predicted that banks of all sizes would line up behind American Express because "there's no down side at all to testing a new brand."

Given that **Citibank** and MBNA are predominantly aligned with MasterCard, that company is more likely to be hurt more than Visa, Mr. Robertson said.

MasterCard issued a statement saying, "Given the competitive nature of the payments industry, this kind of experimentation is to be expected. The real test will be how much traction these programs get over the long term."

Citibank, for its part, has long expressed broader yearnings in the credit card business than Visa and MasterCard permitted. In 1999, under the leadership of John S. Reed, who was then the chief executive, **Citibank** defected from the Visa U.S.A. board and tilted its primary weight in card-issuing toward MasterCard, which promised it lower membership fees and certain other freedoms, like the potential ability to move the MasterCard name to the back of the card.

In 2000, during the Justice Department's antitrust trial against Visa and MasterCard, David W. Nelms, the chief executive of the Discover Financial Services division of Morgan Stanley, testified that Mr. Reed had approached him about the possibility of teaming up to buy MasterCard outright. More recently, Discover has said it wants network deals with banks along the lines of the ones American Express has signed. It has not announced any partners.

Industry analysts said it would be hard to top what American Express has done.

"If American Express had envisioned a Big Bang theory, **Citibank** and MBNA would have been part of the Big Bang theory," said John Grund, a partner at a credit card consulting firm, First Annapolis.

Mr. Chenault indicated that he felt some sense of vindication.

"The associations said years ago, if the bylaws came down, banks in fact would not want to work with American Express," he said. "Obviously, we thought that was ludicrous then, and I think this clearly demonstrates that banks strongly see the value of working with American Express and issuing on our network."

URL: http://www.nytimes.com

LOAD-DATE: December 14, 2004

LexisNexis®

The Associated Press

June 2, 2005, Thursday, BC cycle

SECTION: Business News

LENGTH: 574 words

HEADLINE: Citigroup to buy Federated, May credit card portfolios

BYLINE: By CHRISTOPHER WANG, AP Business Writer

DATELINE: NEW YORK

BODY:

Citigroup Inc., the nation's largest financial institution, said Thursday it was buying the $6.6 billion credit card portfolios of Federated Department Stores Inc. and May Department Stores Inc. and will manage them jointly with Federated.

Citigroup will pay an 11.5 percent premium - or about $760 million - for the portfolios, which together have some 17 million active accounts.

Citigroup has been building its credit card business through acquisitions in recent years, including the 2003 purchases of the portfolios of Sears, Roebuck & Co. and The Home Depot Inc. There are few major private-label portfolios left on the market, which has pushed up acquisition costs.

The deal is expected to close in the third quarter, Citigroup said in its announcement.

Even before the latest transaction, New York-based Citigroup had the nation's largest card portfolio with some 140 million accounts worldwide.

Federated brings both private-label cardholders as well as Visa-branded cardholders who shop at its Macy's, Bloomingdale's and other department stores.

Citigroup shares fell a penny to close at $47.71 in Thursday trading on the New York Stock Exchange, while Federated shares advanced 65 cents, or nearly 1 percent, to $68.35 on the Big Board.

Steven J. Freiberg, chairman and chief executive officer of Citi Cards NA, told The Associated Press that the deal "continues to improve our leadership position in private-label cards."

He said that credit card partnerships have been profitable for both parties because the retailers are compensated for issuing new cards, while the bank's earnings are boosted by higher card transaction volumes as well as interest and fees that are collected.

According to the announcement, **Citigroup** initially will acquire about $3.2 billion in receivables managed directly by Federated. A portion of those proceeds will be used to pay off about $1.2 billion of outstanding asset-backed securities.

An additional $1.2 billion of Federated's receivables currently held by General Electric Capital Corp. will be transferred to **Citigroup** in May 2006, the announcement said.

Following Federated's merger with May, which is scheduled for completion in the third quarter, **Citigroup** will acquire May's $2.2 billion credit card portfolio. That portion of the deal is to be completed within 12 months of the Federated-May closing.

In a separate statement, Federated said it expects after-tax proceeds of about $4.5 billion from the sale, which it plans to use to fund its $11 billion buyout of May or repay acquisition-related debt and other debt.

The agreement provides for future payments based on credit sales and other performance metrics of the portfolio, Federated added.

Federated said its Financial, Administrative and Credit Services division in Cincinnati will continue customer-service functions and that no job cuts are expected because of the transaction.

Federated's chairman, president and chief executive officer, Terry J. Lundgren, said in a statement that the new alliance will help "enhance our relationships with our very best customers, while also building on our success in the credit business by capitalizing on **Citigroup's** great expertise and commitment to the credit business."

AP Business Writer Eileen Powell in New York contributed to this report

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On the Net:

www.**citigroup**.com

www.fds.com

LOAD-DATE: June 3, 2005

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622 of 1023 DOCUMENTS

Associated Press Financial Wire

March 2, 2007 Friday 5:09 PM GMT

SECTION: BUSINESS NEWS

LENGTH: 514 words

HEADLINE: **Citigroup** eases rules on consumer credit **card** accounts

DATELINE: SAN FRANCISCO

BODY:

Citigroup Inc. is easing some rules on its consumer credit card accounts, the financial services company said Thursday.

New York-based **Citigroup** is ending "universal default" on all **Citi**-branded consumer credit cards, effective immediately, the company said. Universal default, a common practice among credit card issuers, is when the company increases a consumers' interest rate when that consumer is late paying other creditors' bills.

Also, **Citigroup** said it would eliminate its "anytime for any reason" rate increases, which allow the company to raise interest rates and change terms at any time and for any reason, another common practice among card issuers. **Citigroup** said the policy is effective immediately for new customers and will go into effect for current customers by April.

Thanks to the changes, interest rates and fees will increase only if the customer pays **Citigroup** late, exceeds the credit limit or pays with a check that bounces. If the card's interest rate is tied to the prime rate, the rate will change to parallel changes in the prime rate, said Samuel Wang, a spokesman with **Citigroup**. Also, under the new policy, the card's terms may change when the card expires, generally after two years, he said.

Citigroup said the changes were part of its ongoing efforts to "put our customers first."

"We're committed to building better relationships with our customers, and at the end of the day that's mutually beneficial," Wang said.

Citigroup is not alone in making consumer-friendly changes, said Travis Plunkett, legislative director with the Consumer Federation of America.

"About three weeks ago, Chase announced they would no longer (engage in) the often-criticized practice known as double-cycle billing," he said, where a company applies interest charges on a two-month period, rather than a one-month period. Under that practice, "people receive interest charges on the balances they've already paid off," Plunkett said about JPMorgan Chase & Co.'s banking unit.

Plunkett applauds **Citigroup's** and Chase's announced changes, but pointed out that they "are not occurring in a vacuum."

Congressional hearings addressing credit card industry practices "signal that Congress is getting serious about abuses in the credit card industry," he said.

"Credit card issuers are announcing unilateral changes in their practices that have been criticized because they are now fearful that Congress will legislate in this area and they don't want that to happen," Plunkett said.

Changes like **Citigroup's** are unlikely to change the way that consumers shop for credit cards, Plunkett said, noting that most consumers choose credit cards based on upfront fees and interest rates, while **Citigroup's** new terms affect late payments and other terms that don't necessarily occur regularly.

But "it's important that consumers have options that they can turn to for what I'll call cleaner cards," Plunkett said.

If other companies don't follow **Citigroup's** lead and Congress doesn't act, Plunkett noted, consumers will still face universal default and other onerous policies in the marketplace.

LOAD-DATE: March 3, 2007

American Banker

October 1, 2007

SECTION: Pg. 7 Vol. 172 No. 189 ISSN: 0002-7561

ACC-NO: 169298671

LENGTH: **584** words

HEADLINE: **Citi,** Expedia Eye Mass Market;
credit **card;** mileage point

BYLINE: Jalili, H. Michael

BODY:

Citigroup Inc.'s new cobranded card with the online travel bookingcompany Expedia Inc. targets consumers who are not loyal to any one airline or hotel brand and shop for bargains online.

Holders of the **Citi** PremierPass/Expedia.com card, which was launched Friday, can get points on some Expedia.com transactions and also receive mileage points on any airline travel.

Terry O'Neil, the executive vice president of **Citi** Cards, said Thursday that the card would have a "mass market" appeal and a "broader reach" than the existing cobrand airline, cruise, car rental, and hotel cards, which he said are not relevant to some consumers.

Many consumers, especially younger ones who came of age during theInternet era, shop for bargain airfares and travel packages online.

Mr. O'Neil said the new card would appeal to price-sensitive consumers who do not fly frequently. Its accelerated point accumulation also offers a change from other products in the market, he said.

Cobranded airline cards will remain relevant in the marketplace, however, because they appeal to many frequent fliers who are loyal to certain brands, Mr. O'Neil said. For instance, holders of the AAdvantage card, which **Citi** and American Airlines have been offering for almost 20 years, are very loyal customers, he said. "For consumers that have an affinity or a loyalty to a specific airline, there is no reason for them to carry any other card than that airline cobranded credit card."

At the introduction of the **Citi** PremierPass/Expedia.com card Thursday in New York at the American Natural History Museum, **Citi** and Expedia officials said the card builds on the relationship that Expedia started with **Citi** last year when it joined the roster of merchants in **Citi's** ThankYou Network rewards program. In that program, consumers signing up for **Citi** banking products are rewarded with points redeemable at the merchants.

Paul Brown, the president of Expedia's partner services group and Expedia North America, said that more than a million ThankYou Networkcustomers have redeemed points with his company.

"It has far exceeded our expectations," Mr. Brown said in an interview.

Expedia, of Bellevue, Wash., has learned that many consumers do not want to be tied to a particular merchant for rewards, he said.

Expedia also operates Web sites in several foreign countries, a travel advisory Web site in China and owns hotels.com and hotwire.com.

The rewards for its new product with **Citi**, however, are available only in U.S. dollar-denominated transactions through the flagship expedia.com.

Citi PremierPass / Expedia.com cardholders who choose the card with no annual fee get two points for some Expedia transactions and one extra point when they book a package; one point for every three milesflown; one point per dollar for all other purchases; and $50 credit for the first eligible Expedia purchase.

Consumers who choose the card with a $75 annual fee benefit from the same category of rewards, but it is richer - they receive one point for every mile flown; two points for purchases at supermarkets, drugstores, gas stations, commuting, and parking merchants; and $100 credit for the first eligible Expedia purchase.

Mr. Brown said "there is not tremendous variation" in pricing between competing issuers, but Expedia chose **Citi** because of its global reach and the two companies' existing relationship from the ThankYou network.

LOAD-DATE: October 9, 2007

LexisNexis®

American Banker

February 21, 2008 Thursday

SECTION: CARDS; Pg. 6 Vol. 173 No. 35

LENGTH: 592 words

HEADLINE: Citi Wins Contract To Issue Travel Cards For Defense

BYLINE: William Launder

BODY:

Citigroup Inc. has landed the largest contract to date to issue government travel cards.

The 10-year deal with the Department of Defense, announced Tuesday, will help Citi sustain its role as the lead issuer in the General Services Administration's Smart Pay 2 program, where last year it had a 40% share of a $26.5 billion annual market. The new cards will be issued at the end of November.

In the fiscal year that ended Sept. 30, the Department of Defense had 1.2 million cardholders and accounted for 62% of government travel spending. Citi estimated that the department will spend $40 billion through Citi-issued cards during the life of the new contract.

Paul Simpson, the head of public sector and health care markets for Citi's global transaction services division, would not provide a revenue estimate for the program, but he said the deal is a "very large program for us, and it will be a great growth opportunity."

JPMorgan Chase & Co. announced a similar deal this month with the Department of the Interior for 88,000 cards and said the deal would generate $660 million in transactions a year. The Department of Transportation, which made $130 million of related transactions in 2006, has ordered 39,000 cards from JP Morgan Chase.

"The Department of Defense has to be one of the biggest and most lucrative [users] of the Smart Pay cards," said Nancy Atkinson, a senior analyst at Aite Group LLC in Boston. "It's a great opportunity for Citi."

Mr. Simpson said Citi won the contract in part because of its experience working with multiple agencies in the predecessor Smart Pay 1 program, which will expire in November. That "experience-tested protocol ... is a huge value."

Under that 10-year program, Citi had contracts for the Department of Veterans Affairs and the Department of the Navy. Citi also has contracts with several "cabinet-level" offices, Mr. Simpson said.

Citi's relationships with many airlines, hotels, and other travel companies, as well as its economies of scale as a global banking company, gave it a competitive advantage when bidding, Mr. Simpson said. "Given any one of these programs, obviously economics and cost is a driver. ... Clearly, we are able to bring a very economic package to the table that would include rebates."

Issuers are required to rebate to the government a portion of the merchant fees they collect through the program. The government and participating card companies "negotiate for a very high rebate," Ms. Atkinson said. "It's really revenue sharing."

With the exception of the Navy, Bank of America Corp. previously issued cards to the Department of Defense through the program. B of A said last year that the economics of the Smart Pay 2 program were "not viable."

Mr. Simpson said Citi had several "other wins" in the Smart Pay 2 bidding process, though he would not discuss them.

General Electric Co.'s GE Capital Financial Inc. and U.S. Bancorp also participate in the program.

Before joining Citi to fill the newly created position in December, Mr. Simpson managed the Smart Pay program at JPMorgan Chase. He said he joined Citi in part because of its "huge focus on the public sector."

Citi's global transaction services division, which oversees the New York company's participation in the Smart Pay programs, has enjoyed robust growth for the past several years, helping to offset the woes at the investment banking division. Last year the transaction division earned $7 billion of revenue, and so far it has issued 2.1 million corporate cards.

http://www.americanbanker.com/ http://www.sourcemedia.com/

GRAPHIC: photo, Simpson

LOAD-DATE: February 20, 2008

LexisNexis®

Cardline

October 16, 2009 Friday

SECTION: NEWS; Pg. 4 Vol. 9 No. 42

LENGTH: 292 words

HEADLINE: CITI'S GLOBAL BRANDED CARDS UNIT POSTS $6 MILLION PROFIT

BODY:

Citing its efforts to reduce credit losses, Citigroup Inc. today reported a $6 million profit for its branded credit card business for the third quarter ended Sept. 30. The business lost $117 million during the same period last year.

The net charge-off rate for Citi credit cards in all regions was 10.29% of average managed loans, up 390 basis points from 6.39% a year ago. Citi had 54.6 million open card accounts at the end of September, down 10.6% from 61.1 million a year earlier. Purchase volume during the quarter on Citi cards was $65.5 billion, down 13.2% from $75.5 billion a year ago. Average managed loans were $112.7 billion, down 4.8% from $118.4 billion. Regionally, in Latin America the net credit card charge-off rate was 18.05%, down 168 basis points from 19.73%. North America's charge-off rate was 10.15%, up 425 basis points from 5.9%. In the Europe, Middle East and Africa region, the net charge-off rate was 7.43%, up 498 basis points from 2.45%. The net charge-off rate in Citi's Asia region was 5.93%, up 230 basis points from 3.63% a year ago. At the end of September, Citi had 100.5 million open accounts tied to its nonbranded credit cards issued with retail partners in North America through its Citi Holdings division. That is down 13.1% from 115.6 million accounts a year earlier. The net charge-off rate on those cards was 13.3%, up 460 basis points from 8.7%. Companywide, Citi reported net income of $101 million, which compares with a$2.8 billion loss a year ago. John Gerspach, Citi chief financial officer, told analysts in a conference call today that Citi is making efforts to "reposition" its branded cards and those offered with retail partners, including removing high-risk customers from those card portfolios.

URL: http://www.cardline.com/

LOAD-DATE: October 16, 2009

LexisNexis®

American Banker

August 10, 2010

SECTION: Pg. 11 Vol. 175 No. 122 ISSN: 0002-7561

ACC-NO: 234000878

LENGTH: **264** words

HEADLINE: **Citi** Bolsters Commercial **Card** Features;
Technology;
Brief article

BYLINE: Johnson, Andrew

BODY:

Byline: Andrew Johnson

Citigroup Inc. on Monday unveiled commercial card features aimed at giving companies more control over meeting and event spending.

The **Citi** Meeting Card's capabilities include a declining balance function that deducts the amount of credit available on specific accounts as purchases are made.

Instead of resetting a card balance when a payment is made, the balance continues to decrease as a commercial cardholder makes purchases for specific events.

"The balance would continue to come down each month, and only the amount left from the original allocation could be used by the meetingplanner," Paul Horn, global product manager for commercial cards at **Citi,** said in an interview. The feature had been available to U.S. commercial customers for several years but has since been rolled out toall commercial customers globally, he said.

The **Citi** card's new features also let commercial customers generate virtual-card accounts in real time for specific projects and events, and can integrate with clients' meetings management software.

"We know this is a very large purchasing category and one more often than not that doesn't have a lot of visibility and control," Horn said.

The New York banking company had been working to develop commercial card features for the last couple of years, "but the downturn in the economy and the pullback in spending on meetings and events" prompted **Citi** to speed up its deployment, he said.

With spending in these categories increasing again, "the time seems right for us to launch into market with our new global solution," Horn said.

LOAD-DATE: August 12, 2010

LexisNexis®

Newstex Web Blogs

American Banking and Market News

August 24, 2010 Tuesday 8:00 AM EST

LENGTH: **300** words

HEADLINE: Macys (NYSE: M) to Offer **Citibank** (NYSE: C) American Express (NYSE: AXP) Credit **Card**

BYLINE: Matt

BODY:

Aug. 24, 2010 (American Banking and Market News delivered by Newstex) --

Macys (NYSE: M) has entered into an agreement with American Express Co. (NYSE: AXP) on a new credit card, which will be issued by **Citibank** (NYSE :C), the retailer announced Thursday.

The new Macys American Express card will replace certain Macys Visa cards. According to a statement from Macys, cardholders will receive benefits in its retail outlets as well as special offers on out-of-store dining, ravel and retail. The credit card will be issued by **Citibank** (NYSE :C), which also issues Macys store credit card.

To celebrate the launch of the new card, cardholders will be able to receive double rewards through the end of the year on all purchases at gas stations, grocery stores and drugstores.

Macys, Inc. (Macys) is a retail organization operating retail stores and Internet Websites under two brands (Macys and Bloomingdales) that sell a range of merchandise, including mens, womens and childrens apparel and accessories, cosmetics, home furnishings and other consumer goods in 45 states, the District of Columbia, Guam and Puerto Rico. As of January 30, 2010, the Companys operations were conducted through four retail operating divisions: Macys, macys.com, Bloomingdales and bloomingdales.com.

Shares of Macys fell by 3.67% on Monday ending the day at $20.20. The stock has a 52 week range of $14.61 to $25.25. Macys has a market cap of $8.53 billion and there are currently 422.2 million outstanding shares of Macys common stock.

This article (Macys (NYSE: M) to Offer **Citibank** (NYSE: C) American Express (NYSE: AXP) Credit Card) was originally developed by and is property of American Banking News. Checkout American Banking News for up-to-date banking news and peer to peer lending news.

Citigroup Inc. v. Citiair, LLC
Opp. No. 91201920
Opposer NOR Ex. 519

Newstex ID: AMCN-7151-48131348

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LOAD-DATE: September 16, 2010

Cardline

April 22, 2011 Friday

SECTION: NEWS; Pg. 2 Vol. 11 No. 16

LENGTH: 583 words

HEADLINE: Citi's Branded Card Operation Posts $864 Million Q1 Profit

BYLINE: Stephanie Bell

BODY:

Citing increased international growth, Citigroup Inc. on April 18 reported an $864 million profit for its Citi-branded credit card operation for the first quarter ended March 31, up 397% from $174 million during the same period a year earlier.

Revenue, however, decreased 7%, to $4 billion from $4.3 billion.

Overall purchase volume for Citi-branded cards during the quarter was $64.9 billion, up 8% from $60.1 billion a year earlier. The total number of cards in circulation increased 0.8%, to 51.7 million from 51.3 million.

The charge-off rate across all regions at the end of March was 6.73%, down 323 basis points from 9.96% a year earlier.

Consumer net credit losses were down both domestically and internationally "on both a dollar and rate basis in the first quarter," John Gerspach, Citi chief financial officer, said during a conference call with analysts to discuss the quarter's earnings.

In North America, Citi-branded cards generated income of $460 million, a significant change from a $150 million loss a year earlier, while revenue decreased 16%, to $2.1 billion from $2.5 billion. Purchase volume increased 0.3%, to $36.3 billion from $36.2 billion. Citi had 21.1 million open credit card accounts at the end of March, down 3.2% from 21.8 million a year earlier. The charge-off rate in North America was 7.42%, down 325 basis points from 10.67%.

The Latin America region generated income of $179 million, up 34.6% from $133 million. The region's revenue increased 9.2%, to $961 from $880 million. Purchase volume was $9.1 billion, up 24.7% from $7.3 billion. Citi had 12.7 million open accounts in Latin America at the end of the quarter, up 5% from 12.1 million a year earlier. The charge-off rate in the region was 9.2%, down 481 basis points from 14.01%.

In Asia, **Citi**-branded cards generated income of $180 million, up 13.9% from $158 million, while revenues increased 9.4%, to $748 million from $684 million. Purchase volume was $17.2 billion, up 18.6% from $14.5 billion. **Citi** had 15.4 million cards in circulation in Asia at the end of March, up 4.1% from 14.8 million a year earlier. The charge-off rate in Asia was 3.01%, down 152 basis points from 4.53%.

"India continued to show the most significant improvement in net credit losses, while in Latin American net credit losses also improved driven y **Citi's** Mexico portfolio," Gerspach noted.

Mexico represents 40% of both **Citi's** annual revenue and the company's revenue stream in Latin American cards, he added.

Citi's Europe, Middle East and Africa unit generated income of $45 million, up 36.4% from $33 million, while revenue decreased 2.2%, to $179 million from $183 million. Purchase volume rose 9.5%, to $2.3 billion from $2.1 billion. **Citi** had 2.5 million open card accounts in the region at the end of March, down 3.8% from 2.6 million a year earlier. The charge-off rate on cards in the region was 3.64%, down 335 basis points from 6.99%.

Citi Holdings' revenue from retail partner cards during the quarter was $1.74 billion, down 21.3% from $2.21 billion. Purchase volume was $16.3 billion, down 12.8% from $18.7 billion. **Citi** had 86.5 million open private-label retail card accounts at the end of March, down 9% from 95.1 million a year earlier. The charge-off rate on retail partner cards was 10.29%, down 343 basis points from 13.72%.

Citi as a company reported first quarter net income of $3 billion, down 31.8% from $4.4 billion during the same period last year. Revenues totaled $19.8 billion, down 22% from $25.4 billion.

URL: http://www.cardline.com/

LOAD-DATE: April 21, 2011

LexisNexis®

The Washington Times

January 4, 2012 Wednesday

SECTION: A, ECONOMY; Pg. 9

LENGTH: 459 words

HEADLINE: Citibank links card rewards to Facebook;
Holders can pool points with others

BYLINE: By Tim Devaney THE WASHINGTON TIMES

BODY:

Citibank brought its credit and check card rewards program to Facebook on Tuesday hoping to expand user interest by allowing customers to pool points among their social network friends.

"We want to be the world's best digital bank," said Ralph Andretta, head of loyalty programs at Citibank. "If you look at our competitors, we can all get you on an airplane, we can all get you a gift card, we can all get you merchandise, but what we've done here is give you an opportunity to do something different with your points."

The company launched an application that allows customers to pool points on Facebook and redeem them for bigger rewards, such as flights and televisions. The bank already has been doing this through its website, but believes Facebook is the best way to motivate customers.

"We found no better place to do that than on Facebook," Mr. Andretta said. "Our customers spend a lot of time online on Facebook. So we thought it was a perfect way to reach our card members on their terms."

Rewards programs for credit and checking cards have become extremely competitive in recent years.

"There is such a proliferation of rewards cards now that there is often competition among issuers just to be the one card in the customer's wallet that gets used," said Greg McBride, senior financial analyst at Bankrate.com. "Consumers might have two or three different rewards cards. So issuers are continually competing with each other, even among their existing customers, to be the card that's used first."

Citibank's new rewards program tries to set itself apart with a "collective nature" that encourages "point sharing," Mr. McBride said. The goal is to wrestle more existing customer "engagement" away from other banks and also draw in new customers.

"The value of our program is not just our rewards, but how you can redeem those rewards," Mr. Andretta said.

Banks pay a cost to give customers credit and checking cards. So having customers who never use their accounts is expensive.

"The whole idea of rewards programs is they want customers to use the cards," Mr. McBride said. "It's similar to the 'no loitering' signs in front of shopping centers. They want you to do one of two things - come in the store and buy something, or get lost."

For consumers, the new program will make redeeming points for high-end items much simpler. Instead of giving up because it seems impossible to store up enough points for a big reward, they now can put them to good use. "It removes the frustration of having too few points," Mr. Andretta said.

This could mean fewer "stagnant points" that customers don't use, Mr. McBride explained. "Somebody that has accumulated some but not enough for a meaningful redemption may opt to pool those with someone else," he added.

LOAD-DATE: January 4, 2012

American Banker

February 1, 2012 Wednesday

SECTION: TECHNOLOGY Vol. 177 No. 17

LENGTH: **282** words

HEADLINE: **Citi's** iPad Banking App Now Accepts Credit **Card** Users

BYLINE: Kate Fitzgerald

BODY:

Consumers yearning to track and analyze their credit card spending to the smallest degree with graphs, comparisons with past months and even with their peers are in luck.

Citigroup Inc. on Tuesday announced an upgrade to its online banking application for Apple Inc.'s iPad that includes what **Citi** says is the first such robust iPad credit card account-analysis application.

Building on the iPad online-banking app **Citi** introduced in July, the latest version touts a departure from a ledger-style display by providing users with the option to create customizable graphs and charts and extending those functions to 20 million **Citi** credit card customers. (The app is not compatible with **Citi's** private-label retail partner cards, a **Citi** representative says.)

Other app improvements include the ability to see both the front and back sides of check images and a platform for users to send articles and information from within the app to friends through social media and email.

"**Citi** cardholders can now use the iPad to analyze their spending habits and compare spending and financial goals with customizable graphs and charts," Tracey Weber, **Citi's** head of Internet and mobile banking for North America consumer banking, said in a press release.

It comes as no surprise that credit card-analysis tools are joining the parade of interactive options for consumers, analysts say.

"An iPad application is supplemental to all the other 'touch points' a consumer has to manage their credit card and banking relationships," says Madeline Aufseeser, a senior analyst with Aite Group. "I fully expect all the major institutions to be able to support all the various communication devices that are on the market."

URL: http://www.americanbanker.com

LOAD-DATE: January 31, 2012

LexisNexis®

Newstex Web Blogs

Zacks Investment Research

May 16, 2012 Wednesday 8:00 PM EST

LENGTH: 504 words

HEADLINE: Citi & AA Launch New Travel Cards - Analyst Blog

BODY:

Once again, Citigroup, Inc. (C) and American Airlines (also known as AA), a subsidiary of AMR Corporation (AAMRQ) tied up to launch a new travel benefit card - theCitiBusiness/ AAdvantage World MasterCard. The card would help small business owners save money and get maximum benefits from travel spending.

Card Benefits

The new travel card provides a lot of benefits to the cardholders. Firstly, the holders will get credited with two miles on every $1 purchase in American Airlines under the AAdvantage program. This is also valid for certain specific business transactions related to office supply, telecommunications and car rental services.

The AAdvantage program is a popular loyalty program that enables fliers to redeem the earned miles for flights all across the globe as well as take advantage of perks like flight upgrades, vacation packages and hotel accommodations.

Cardholders are entitled to a 5% AAdvantage mileage bonus on purchases made in the initial year, provided the membership is renewed. Moreover, allowing priority boarding to the cardholder along with four other companions on the same reservation saves a lot of time while traveling.

Cardholders can save a lot of money as the first checked baggage is free for primary members along with four other companions, on the same reservation. Cardholders are entitled to a 25% discount on all the in-flight purchases made with the CitiBusiness AAdvantage World MasterCard.

The cardholders will also receive 30,000 American Airlines AAdvantage miles on making purchases worth $1,000 or more within the first three months. An annual fee is waived for the first year for new members. Other advantages include complimentary concierge service, dedicated business card customer service and no limit or expiration on miles earned.

Similar Offerings

Earlier this year, **Citi** and American Airlines introduced an improved version of **Citi** Platinum Select/AAdvantage card, having similar benefits as the latest **Citi** business card.

A few days back, Bank of America Corporation (BAC) issued travel cards catering to the needs of frequent travelers. The advantages of these cards included absence of foreign transaction fees, no expiry date on points earned, no blackout dates, complimentary concierge service and a bonus each year on the total purchases exclusively enjoyed by the members having multiple accounts with BofA or its affiliates.

Conclusion

From **Citi** s point of view, the new card will enable it to further strengthen its grip over the credit card market. Likewise, for American Airlines, this card is a mode to serve relentlessly to its loyal customer base and a way to enhance its position as a rewarding and consumer-friendly airline.

Citi currently retains its Zacks #3 Rank, which translates into a short-term Hold rating. Considering the fundamentals, we also maintain our long-term Neutral recommendation on the stock.

Read the full analyst report on "C"

Read the full analyst report on "AAMRQ"

Read the full analyst report on "BAC"

Zacks Investment Research

LOAD-DATE: May 16, 2012

Citi steps up S'pore presence

New CEO Larsen eyes acquisitions even as bank focuses on organic growth

Chew Yuen Nee
[illegible]

THE new chief executive of Citibank Singapore, Mr Jonathan Larsen, is keeping an eye on acquisition opportunities here even as these are limited.

In an interview with TODAY, Mr Larsen said: "We will never exclude the possibility of acquisitions when the opportunity arises, but as long as restrictions remain, possibilities are limited."

At present, approval is needed from the Monetary Authority of Singapore (MAS) for a foreign entity to own 5 per cent in a locally-incorporated bank.

Approval is required again when the 12-per-cent and 20-per-cent thresholds are reached.

Elsewhere in Asia, Citibank has been involved in the US$2.7-billion ($4.4 billion) acquisition of Koram Bank in South Korea, as well as other purchases in the Philippines, China and Australia.

For now, the American banking giant will focus on growing organically in Singapore, expanding its footprint from the current six branches.

In March, the bank opened two branches — in Cuscaden Road and Great World City — as part of its $20-million expansion here. It has plans to open two more branches by the end of the year.

"We don't need 150 branches on this island but we certainly need more than six," said Mr Larsen.

Opening more physical branches is "one way of transforming our presence in Singapore", he said.

"Much of banking can be done remotely today, but we need the visibility factor," he pointed out.

Mr Larsen said he would continue building up Citibank's full spectrum of branch banking activities, car loans, credit cards and the Ready Credit facility, most of which "already command a significant position in Singapore".

Citibank Singapore's new chief executive Jonathan Larsen says that while much of today's banking can be done remotely, the visibility factor is still needed.

Key: Citi
Citi steps up S'pore presence
TODAY
18 May 2005

Citigroup Inc. v. Citiair, LLC
Opp. No. 91201920
Opposer NOR Ex. 524

OPP013132

Citibank launches Dividend Platinum

As at November, cardholders had earned $2m worth of cashback

By LESLIE YEE

CITIBANK Singapore, which said there has been strong demand for its Dividend card, will introduce an upgraded Platinum version of the cashback credit card from today.

One in three of approved card applications is now for the standard version of the Dividend card, the bank said.

Introduced in Singapore in November 2004, the Dividend card offers cardholders cashback on retail purchases.

Citibank said yesterday that up to November, cardholders had earned $2 million worth of cashback, with the bank issuing around $1 million worth of cheques to cardholders.

The bank automatically tracks cardholders' spending and sends the cashback earned to them in the form of a cheque every quarter.

Citibank said that spending on each Dividend card has been around 40 per cent more than on its basic cards. Spending on Citibank's credit cards is in any case some 30-40 per cent more than the industry average. The 40,000 people who already hold Dividend cards will have their cards upgraded to Dividend Platinum.

The new Dividend Platinum card offers 5 per cent cashback on purchases of petrol, 2 per cent on dining, 2 per cent on groceries, 2 per cent on pharmaceuticals and up to one per cent on other purchases.

Mr Cavale: *Dividend card has been extremely successful*

Cashback is earned over and above merchant discounts and rebate programmes extended by Citibank.

Anand Cavale, Citibank Singapore's business director of credit payment products, said: "Dividend card has been extremely successful as customers like cash back, so we looked at how to enhance the product."

Mr Cavale said that he expects the bank's profit rate from its Dividend Platinum card to be in line with that of other Citibank credit cards in general, as the higher cost of the improved rebates will be compensated for by increased spending on the Dividend Platinum card.

The qualifying annual income for Citibank Dividend Platinum card is $50,000.

Key: Citibank dividend
Citibank launches dividend platinum
The Business Times
12 November 2006

Citigroup Inc. v. Citiair, LLC
Opp. No. 91201920
Opposer NOR Ex. 525

Related Press Releases

SSB Citi and FORTUNE Announce Index Funds Based on FORTUNE 500 and FORTUNE e-50 Benchmarks

SSB Citi Launches No-Load Index Fund Family; "Citi" Funds Available on New Cititrade Online Brokerage Platform

FOR IMMEDIATE RELEASE
November 13, 2000

Citigroup Announces New Generation of Online Trading and Banking With Cititrade and Citibank Online

New York, NY — Citigroup announced today the introduction of two online services: Cititrade, a new discount, standalone online investment service for the quality conscious investor; and Citibank Online, an enhanced Internet banking service recently rated number one in online banking by Gomez.

"We believe consumers will appreciate and value the superior capabilities we are offering through Cititrade and Citibank Online," said Robert Willumstad, Vice Chairman of Citigroup 's Global Consumer Group. "The introduction of these two Citigroup services further demonstrates our commitment to a multi-tier strategy of delivering products to customers through whatever channel they prefer," he added.

Cititrade - Direct brokerage for the quality conscious investor

Cititrade, at www.mycititrade.com, is a new discount, direct brokerage service for the quality conscious investor from Citicorp Investment Services. Cititrade is designed to deliver superior service by combining "high tech with high touch." Its state-of-the-art trading operation is powered by a wide range of products and services from Citigroup's investment and consumer businesses, enabling Cititrade to offer fast, accurate order executions. Customer service support for trading and information is available 24/7 through the Cititrade Client Service Center.

Cititrade's featured offerings include research by internationally recognized Salomon Smith Barney analysts, prompt and reliable order processing systems, an award-winning online bill payment service and proprietary interactive financial and planning tools. Cititrade provides investors with the means to make informed investment decisions on their own.

With Cititrade, investors can buy and sell stocks, including after-hours trading, options, mutual funds, bonds, Certificates of Deposit, Unit Investment Trusts and Travelers annuity products. In addition, SSB Citi Asset Management is introducing a new line of index funds as part of Cititrade's offering. Customers can invest online or through the 24/7 Cititrade Client Service Center. Each Cititrade customer's personal information is protected by the use of user names and passwords and 128-bit encryption in addition to other security and privacy features. Cititrade provides a range of support services to make online investing easier:

- Access to an experienced and qualified Cititrade Client Service Representative, through the 24/7 Client Service Center
- Advanced search tools to help customers select stocks, options, mutual funds and bonds that meet their specified criteria
- Simplified tax preparation with full gain/loss reporting, the ability to select specific shares from tax lots when trading online, and integration with the nation's leading tax preparation software
- Ability to customize and aggregate multiple accounts within a household and to set

Citigroup, Inc. v. Capital City Bank Group, Inc., Opp. No. 91177415 Citigroup Ex. 33

CITI 0008984

Citigroup Inc. v. Citiair, LLC
Opp. No. 91201920
Opposer NOR Ex. 526

OPP001441

different levels of access for designated household members.

Customers may also open a Cititrade CitiOne(SM) account, a central asset account with insured bank deposits or money market funds with sweep features. CitiOne offers checking and a debit card, Internet bill payment and access to a broad spectrum of specialized services.

For more information, consumers may visit mycititrade.com and register online to be a guest for two months.

Citibank Online - An award-winning service for the branch-based banking and investment customer Citibank Online (www.citibankonline.com) is a complete financial management center with exclusive special consumer offers and superior functionality. Last week, the service was rated number one among online banks by Gomez. Citibank Online features the best of Citibank 's award-winning Direct Access online service - with free bill payment, ability to see all accounts in one place and access to Citibank products and services - plus the ability to customize the home page and access more financial tools. Customers may also access the bank through bricks and mortar financial centers, ATMs and telephone customer service.

According to the Gomez Fall 2000 Internet Banks Scorecard, Citibank Online is "a robust site full of financial products and services, consistent customer service, a broad selection of personal finance tools and educational information and free bill payment. Citibank Online is beginning to make the financial supermarket concept a reality." Citibank Online was ranked number one Overall among online banking services and the number one site in the Borrower and One-Stop Shopper customer profiles.

With Citibank Online, customers can customize their home page with top news stories and set up quick links to favorite websites. The service has enhanced research capabilities covering money basics, insurance planning, home ownership, education planning and credit and borrowing in addition to a host of other financial planning tools.

The Help Desk allows customers to access online Customer Service, download forms or set up Direct Deposit. Citibank Online Customer Service is available around-the-clock, seven days a week.

The site will also make available Smart Deals, special offers developed with customers' needs in mind. Best of all, Citibank Online is still free, offered as part of a Citibanking consumer account relationship.

Citibank currently has approximately 500,000 online banking customers in the United States. Direct Access users in Nevada are the first customers to be migrated to the new service, and Citibank Online will roll-out across the U.S. over the coming months.

Cititrade and Citibank Online may also be accessed at the new Citi Center available across several America Online brands, including the AOL service (AOL keywords: Citi, Cititrade and Citibank Online), CompuServe, Netscape.com and AOL Digital City. These America Online brands also feature other Citigroup online services as well as AOL Quick Cash, an e-mail based person-to-person payment system powered by Citigroup's c2it.

Securities transactions are through Citicorp Investment Services, member NASD/SIPC. Cititrade(R) is a registered service mark of Citicorp, a member of Citigroup. CitiOne(SM) and the Cititrade logo are service marks of Citicorp.

Direct Access was voted Best Online Service Offered by a Major Bank in a survey conducted among 4,000 of Worth Magazine readers, September 2000, a publication of Capital Publishing Limited Partnerships and voted Forbes Favorite in online banking by Forbes magazine, 9/13/99, a publication of Forbes, Inc.

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Citigroup (NYSE:C), the premier global financial services company, provides some 100 million consumers, corporations, governments and institutions in 100 countries with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, insurance, securities brokerage and asset management. The 1998 merger of Citicorp and Travelers Group brought together such brand names as Citibank , Travelers, Salomon Smith Barney, CitiFinancial, and Primerica under Citigroup's trademark red umbrella. Additional information may be found at: www.citigroup.com.

FOR IMMEDIATE RELEASE
January 23, 2002

Citibank Introduces New Debit Card Earning American Airlines AAdvantage® Miles

Launch Includes A One Million AAdvantage Mile Grand Prize Sweepstakes

New York — Citibank announced the introduction of the Citibank AAdvantage Debit Card, which will allow users to receive American Airlines AAdvantage miles for all debit card signature-required purchases, as well as Internet, phone, mail order and point-of-sale debit card purchases when "credit" is selected. The card is available to new and existing Citibank checking account customers and will also function as a Citibank ATM card. The card may be used at any of the more than 22 million locations where MasterCard is accepted.

The cards are the first translucent debit cards in the U.S. The Basic Citibank AAdvantage Debit Card has an annual fee of $25.00, earns 1 AAdvantage mile for every $2.00 spent on qualified purchases and allows users to earn up to 60,000 AAdvantage miles per calendar year. The Premium Citibank AAdvantage Debit Card has an annual fee of $65.00, earns 1 AAdvantage mile for every $1.00 spent and affords users the ability to earn up to 100,000 AAdvantage miles per calendar year through qualifying purchases. Cash withdrawal and PIN-based transactions do not earn mileage.

"As the variety of payment options continues to expand, we want to offer customers products that add value to their purchasing behavior. We have a long and successful relationship with the American Airlines AAdvantage program. This allows us to offer our customers who prefer using a debit card the benefits of earning miles with their purchases," said Maura Markus, President of Citibanking North America.

"Consumers have told us again and again that earning miles is an incentive they value most. And, now with the new Citibank AAdvantage Debit Card, they can earn AAdvantage miles on purchases made every day," said Ed French, President of the AAdvantage Marketing Programs. "We're also pleased to work with Citibank on this initiative, which complements the family of Citibank AAdvantage products."

The launch of the new card is being supported with promotions including a One Million AAdvantage Miles award to the Grand Prize winner in an online sweepstakes. Beginning February 1st, further sweepstakes information may be found at: www.sweepstakes.citi.com.

Marketing programs will include print and radio advertising, in-branch merchandising, direct mail, street level marketing and incentives.

New customers will receive up to 10,000 AAdvantage miles for opening a Citibank checking account with a Citibank AAdvantage Debit Card. Existing customers can receive either 2,000 or 4,000 bonus AAdvantage miles respectively for converting to either a Basic Citibank AAdvantage Debit Card or a Premium Citibank AAdvantage Debit Card. The debit feature debits customer checking accounts for purchases and transactions.

Citibank premiered its American Airlines AAdvantage credit card in the U.S. in 1987. It is now available in 18 countries. The new Citibank AAdvantage Debit Card is available beginning the week of January 21, 2002.

Information concerning the Citibank AAdvantage Debit Card may be found at www.citibankonline.com.

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About Citibank
Citibank is a member of Citigroup (NYSE: C), the preeminent global financial services company with some

CITI 0009168

Citigroup Inc. v. Citiair, LLC
Opp. No. 91201920
Opposer NOR Ex. 527

OPP001444

190 million customer accounts in more than 100 countries, which provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, insurance, securities brokerage, and asset management. Major brand names under Citigroup's trademark red umbrella include Citibank, CitiFinancial, Primerica, Smith Barney, Banamex, and Travelers. Additional information may be found at: www.citigroup.com.

About American Airlines AAdvantage Travel Awards
American Airlines' AAdvantage Travel Awards Program – the first and largest of its kind – began in 1981 with 283,000 members and has grown to more than 45 million members worldwide. The AAdvantage program has more U.S. fliers than any other frequent traveler program, and it provides more opportunities to redeem miles than any other program. Additional information may be found at: www.aadvantage.com.

Business Wire

March 22, 2004 Monday

DISTRIBUTION: Business Editors

LENGTH: 497 words

HEADLINE: Citi Cards Web Site Ranked #1 by Watchfire GomezPro; Citi Cards Site Top-Ranked for Fifth Consecutive Period

DATELINE: NEW YORK, March 22, 2004

BODY:

The Citi Cards website, www.citicards.com, has again scored the #1 position in the Q1 2004 Credit Card Scorecard published by Watchfire GomezPro, the benchmarking and website assessment services business unit of Watchfire Corporation. This is the fifth consecutive period the Citi Cards website has achieved the top spot. Watchfire GomezPro ranks the top Internet credit card sites bi-annually. Citi Cards also received the highest score in the Customer Confidence and Relationship Services categories.

"The #1 Watchfire GomezPro ranking in the Credit Card Scorecard is another manifestation of Citi's leadership role in financial services and on the Internet," said Amy Radin, EVP of Citi Cards e-Business. "We are very focused on addressing customers' concerns about security and identity theft and have developed such tools as Virtual Account Numbers to enable safe shopping online. Additionally, we are aiming to help our Hispanic customer base by adding Spanish-language information to our website and have improved overall customer convenience by adding account nickname capability and last login date and time. "

In addition to ranking #1 Overall and for Customer Confidence and Relationship Services in the Q1 2004 Credit Card Scorecard, the Citi Cards website also ranked in the top five in the Ease Of Use and On-Site Resources categories. Internet sites are ranked on the comprehensive Watchfire GomezPro Scorecard that tracks products and services offered by major credit card issuers. The Watchfire GomezPro Scorecard is available at www.gomez.com.

Watchfire GomezPro Industry Scorecards measure the quality of online financial services offerings with a predominant focus on the Ease Of Use, Customer Confidence, On-Site Resources and Relationship Services areas. Watchfire GomezPro works with companies that strategically depend on the effectiveness of their Internet channel to increase revenues and decrease expenses.

About Citi

Citi is part of Citigroup (NYSE:C), the preeminent global financial services company which has some 200 million

FOCUS - 59 of 70 DOCUMENTS

PR Newswire

April 13, 2004 Tuesday

SECTION: FINANCIAL NEWS

DISTRIBUTION: TO BUSINESS EDITOR

LENGTH: 593 words

HEADLINE: Citi Introduces Home Rebate Platinum Select(R) Mastercard(R)

BODY:

Innovative Credit Card With No Annual Fee Turns Everyday Purchases
Into Cash Rebates to Pay Down Mortgage

NEW YORK, April 13 /PRNewswire-FirstCall/ -- Now there's a simple way for homeowners to reduce the principal balance on their mortgage. Today, Citi, the world's largest provider of credit cards, launched the new Citi Home Rebate Platinum Select(R) MasterCard(R) featuring the only rebate program of its kind. Just by filling their car up with gas, buying groceries, redecorating, or taking a vacation, consumers can turn everyday purchases into big mortgage savings. Every purchase earns cardmembers a rebate that is applied toward their mortgage principal, with any bank or financial institution, annually. Cardmembers can start to earn rebates immediately by using their Citi Home Rebate Card to pay their mortgage loan application fees. In fact, CitiMortgage customers have taken advantage of the program since the beginning of the year and have already begun to realize savings.

Savings towards mortgage principal are only the beginning. By applying a full 1% rebate from Citi Home R Card purchases towards the mortgage principal, customers can significantly reduce the total interest over the life o mortgage. Savings with the Citi Home Rebate Card can be estimated with the on-line mortgage savings calculato www.CitiCards.com. There is no limit on the rebate amount cardmembers can earn, so the more customers use Home Rebate Card, the faster they can pay down the principal of their mortgage, thus reducing the interest and their mortgage.

"The Citi Home Rebate Card provides an effortless way to help homeowners pay off what is often their bi financial commitment -- their mortgage -- simply by charging their regular, everyday purchases. But the re significant, as they build equity in their home faster, while shortening the length of their mortgage," said C Senior Director, Citi.

The Citi Home Rebate Platinum Select(R) MasterCard(R) offers top-level benefits, including:

* No Annual Fee
* $0 liability on unauthorized purchases
* 0% APR on purchases and balance transfers for a full six months
* Flexible payment options
* Free and secure online account management
* Auto rental insurance
* Emergency travel assistance
* Travel accident insurance
* Extended warranty
* Acceptance at 32 million locations around the world
* Citi Identity Theft Solutions
* Fraud Early Warning gives 24-hour protection from fraud

* Lost Wallet Service, which quickly replaces a customer's card if it's
stolen, and also provides the customer with emergency cash
to available cash advance limit)

pply for the new Citi Home Rebate Card, consumers can call 1-800-803-HOME.

Citi

rt of Citigroup (NYSE: C), the preeminent global financial services company which has some 200 million
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a broad range of financial products and services, including consumer banking and credit, corporate and
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brella include Citibank, CitiFinancial, Primerica, Smith Barney, Banamex, and Travelers Life and
al information may be found at www.citigroup.com

ross, or Traci Tournoux, +1-212-750-5755, both of TMGpr, for Citi; or Maria Mendler of
-0409

wswire.com

2004

FOR IMMEDIATE RELEASE
Citigroup Inc. (NYSE: C)
March 29, 2006

U.S.: Citibank Expands Distribution and Customer Reach with Internet Bank

New York – Citibank today significantly expanded its retail distribution capability with the launch of Citibank Direct, an online bank that offers consumers located anywhere in the United States quick and convenient access to all of Citibank's products and services. With real-time decision-making and identification verification, consumers anywhere can now open an account in less than 10 minutes. The new offering is yet another example of Citibank's tradition of innovation. It is also part of Citibank's broader effort to enhance its distribution, giving customers access to financial services through any channel they want, no matter where they are. In addition to Citibank Direct, Citibank plans to open 100 new branches in 2006 and launch Citi Mobile, a mobile phone banking service, later this year.

"We are thrilled to launch Citibank Direct, a major part of our commitment to ensure that customers can reach us anywhere, any time, and in any way that they want to do business with us," said Catherine Palmieri, Managing Director, Citibank.com. "Now consumers inside and outside our branch network can quickly and easily become Citibank customers and take advantage of our award-winning online banking and superior products and services, such as our robust money movement capability, instant account opening, and soon Citi Mobile."

Unlike other Internet banks, Citibank Direct now offers customers a complete banking relationship, with all the products and services to meet their needs. In addition to some of the market's best rates on savings products, it offers checking accounts, debit and credit cards, and access to Citibank's more than 900 branches and 3,100 ATMs. Customers can also check balances, pay bills, transfer money, and open new accounts – all with a click of a mouse.

Already, 40% of the customers who open accounts on Citibank.com, Citibank's award-winning online banking platform, live outside of the bank's branch network areas. Through its Internet bank, Citibank hopes to reach many more customers looking for superior products and seeking to bank online.

"With all Citibank has to offer, we believe that Citibank Direct will be by far the best Internet bank in the market," said Ray Quinlan, President & CEO of Retail Distribution North America for Citigroup. "By opening branches, offering a nationwide Internet bank, and providing innovative services such as ThankYou Network and PayPass, Citibank is responding to consumer demand for greater ease and convenience through alternative distribution channels."

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Citibank
Citibank is a member of Citigroup, the leading global financial services company that has some 200 million customer accounts and does business in more than 100 countries, providing consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, and wealth management. Major brand names under Citigroup's trademark red umbrella include Citibank, CitiFinancial, Primerica, Smith Barney and Banamex. Additional information may be found at: www.citigroup.com.

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Opposer NOR Ex. 530

Citigroup, Inc. v. Capital City Bank Group, Inc., Opp. No. 91177415 Citigroup Ex. 41

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FOCUS - 2 of 70 DOCUMENTS

PR Newswire US

October 5, 2006 Thursday 12:05 PM GMT

LENGTH: 910 words

HEADLINE: Citi(R) Expands Citi(R) / AAdvantage(R) Card Private Pass(R) Program With Exclusive Cardmember-Only Experiences and Access;
Offers Exclusive Concerts Performed by Aerosmith, Dave Matthews, Mary J. Blige, and Tony Bennett to Introduce Enhanced Program

DATELINE: NEW YORK Oct. 5

BODY:

NEW YORK, Oct. 5 /PRNewswire/ -- Citi(R) / AAdvantage(R) credit cardmembers have a lot to be excited about. Today, Citi introduces the enhanced Citi(R) / AAdvantage(R) Card Private Pass Program with a cardmember- only concert series. The series, "Traveling Through Life," will feature Aerosmith, Dave Matthews, Mary J. Blige, and Tony Bennett. The enhanced program, set to launch October 9th, features a new website, http://www.privatepass.citi.com/ , providing cardmembers access to exclusive events and experiences.

The "Traveling Through Life" concert series line-up is as follows:

Artist	Location	Date
Dave Matthews and guitarist Tim Reynolds*	Wiltern Theater Los Angeles, CA	Monday, October 30
*Funds raised by the event will go to benefit the Bama Works Youth Initiative which focuses on empowering high school students to participate in the process of philanthropy through the hands on selection and execution of various community projects. Bama Works Youth Initiative projects will center		

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on community youth programs including arts, sports and education		
Mary J. Blige	Chicago Theatre Chicago, IL	Thursday, November 9
Tony Bennett	Bass Performance Hall Fort Worth, TX	Sunday, November 12
Aerosmith (performing acoustically)	Beacon Theatre New York, NY	Sunday, December 3

The ground-breaking concert series provides Citi(R) / AAdvantage(R) cardmembers a chance to connect with A-list artists in a way they may have never experienced before, and can't experience anywhere else. During each performance, the artist will perform hand-selected songs at intimate venues, taking fans on a live musical journey.

With music ranging from rock, pop, hip hop and soul, the concert series represents both the universal appeal of modern music and the diversity of Citi(R) / AAdvantage(R) cardmembers throughout the country. The private concerts are a way of rewarding cardmembers with a visceral, inspirational experience right before the holiday season.

Tickets go on sale to Citi(R) / AAdvantage(R) cardmembers exclusively on Monday, October 9th at 9 a.m. EDT, on http://www.privatepass.citi.com/ . Cardmembers who purchase tickets and their guests are given a complimentary gift at the end of the show. Select cardmembers may also have the opportunity to meet and greet the artist backstage and win signed memorabilia.

"The 'Traveling Through Life' concert series signifies the launch of Citi Cards' enhanced Private Pass program and our continued commitment to expand experiential marketing efforts," said Terry O'Neil, Executive Vice President, Citi Cards. "Branded entertainment events, like the 'Traveling Through Life' concert series, are a powerful and engaging way for us to not only bring special opportunities to our cardmembers but to also surprise and delight them. We understand that, for our cardmembers, using their card isn't just about reaching their destination but also enjoying the journey along the way. Bringing these types of special experiences to our cardmembers is another way for Citi to reward our customers and thank them for their business."

"We know that Citi(R) / AAdvantage(R) cardmembers have enjoyed the full line of benefits that American and Citi have been able to offer through the years," said Kurt Stache, President of American's AAdvantage(R) Program. "The Private Pass program will give cardmembers what they value -- an exclusive opportunity to experience a set of great artists up close and personal."

The new Private Pass website will offer Citi(R) / AAdvantage(R) cardmembers exciting features such as: VIP parking, private entrance to venues, priority/early seating, backstage access, artist meet-and-greet, available nightclub and comedy club access, and guaranteed golf course access.

Cardmembers will also have the ability to select from a wide variety of categories including golf, museum and gallery, restaurants, nightclub, wine and vineyard, retail, sporting events, wine tastings, and theater.

The Citi(R) / AAdvantage(R) card represents a 19 year relationship between Citi and American Airlines. For more information or to apply for a Citi(R) / AAdvantage(R) card, visit http://www.citicards.com/aadvantage . For more information on American's AAdvantage(R) program, visit http://www.aa.com/aadvantage .

About Citi

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CONTACT: Tami Gross, TMGpr, +1-212-750-5755; Sam Wang Citigroup +1-212-559-0499

Web site: http://www.privatepass.citi.com/
http://www.citigroup.com/
http://www.citicards.com/aadvantage
http://www.aa.com/aadvantage

SOURCE Citi

URL: http://www.prnewswire.com

LOAD-DATE: October 6, 2006

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PR Newswire US

June 4, 2007 Monday 6:54 PM GMT

LENGTH: 1047 words

HEADLINE: American Airlines and Citi Cards Celebrate 20-Year Relationship;
One of the Longest-Running, Co-Branded Credit Cards Celebrates a Milestone With Card Member Rewards, While Also Benefiting National Non-Profit Organizations

DATELINE: NEW YORK June 4

BODY:

NEW YORK, June 4 /PRNewswire/ -- Citi Cards and American Airlines -- two industry-leading companies known for delivering first-class products and service to millions of loyal customers -- are proud to announce 20 years of success as they celebrate the anniversary of the Citi(R) / AAdvantage(R) credit card, a card that allows customers to earn American Airlines AAdvantage(R) miles for purchases. Citi(R) / AAdvantage(R) credit cardmembers have a chance to join in the celebration with a variety of exciting promotions and activities, while also raising AAdvantage miles for American Airlines- supported organizations, including Susan G. Komen for the Cure, Cystic Fibrosis Foundation, and a children's charity.

The industry-leading Citi(R) / AAdvantage(R) credit card was among the first of its kind when it debuted in 1987. The co-branded credit card program has since grown to include millions of loyal customers and is one of the most dynamic and unique card programs in the industry.

"American and Citi launched the Citi(R) / AAdvantage(R) credit card just six years after American launched the AAdvantage program -- the airline industry's first loyalty program. Giving our passengers the first opportunity to earn AAdvantage miles through a co-branded credit card helped American set a new standard for our industry," said Kurt Stache, President of AAdvantage Marketing Programs. "For 20 years AAdvantage members have earned valuable benefits through this strategic relationship."

Terry O'Neil, Executive Vice President of Citi Cards, said, "We are proud to have pioneered a program with American Airlines AAdvantage that gives consumers an easy and valuable path to accessing their dreams. This unique relationship has provided us the opportunity to create a truly innovative offering for consumers that has remained relevant and at the forefront of the industry for the past 20 years. We remain committed to building upon our relationship with American Airlines and creating increased value and exclusive opportunities for our customers. We look forward to continuing our strong, long-standing relationship with American Airlines for many more years to come."

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To mark the anniversary, the two companies have lined up a variety of promotions and special offers designed to reward consumers.

Experience Auction

Beginning June 8, **Citi**(R) / AAdvantage(R) Credit Cardmembers can log on to http://www.privatepass.**citi**.com/ or http://www.aa.com/20 , to bid on 20 different high-value, life-enriching experiences, including:

* Trip of a lifetime on American Airlines Cruises
* Lifetime AAdvantage Gold(R) Elite Status(1)
* Super screen outdoor theater
* Box Suites at the American Airlines Center for a Dallas Mavericks or Dallas Stars game or the American Airlines Arena for a Miami Heat game

Of these items, 10 experiences are available for bidding via **Citi**(R) / AAdvantage(R) credit card, and 10 are available for bidding with American Airlines AAdvantage miles. **Citi**(R) / AAdvantage(R) credit cardmembers can begin bidding on Friday, June 8. A portion of the AAdvantage mileage collected will be split among Susan G. Komen for the Cure, Cystic Fibrosis Foundation, and a children's charity.

AAdvantage MileSAAver(SM) Award Discount

Citi(R) / AAdvantage(R) Credit Cardmembers will reap additional anniversary benefits with a 20 percent discount on MileSAAver(SM) awards booked between June 1-30 for travel on American Airlines between Aug. 22-Nov. 16, 2007 within the continental U.S., Mexico, Caribbean, Hawaii and Canadian destinations. Cardmembers can access the discount codes and additional information at http://www.aa.com/20 or http://www.privatepass.**citi**.com/ . In addition, consumers who sign up for the **Citi**(R) / AAdvantage(R) credit card during the anniversary promotion from June 1-Sept. 30, can earn up to 40,000 AAdvantage bonus miles. Terms and restrictions on earning such miles can be found at http://www.**citicards**.com/ . To apply for a **Citi**(R) / AAdvantage(R) credit card, consumers can call 1-800-FLY-4444 or visit http://www.**citicards**.com/ .

(1) AAdvantage Gold(R) status is non-transferable and will be valid for the lifetime of the AAdvantage Gold(R) program. For complete AAdvantage(R) program details, visit http://www.aa.com/aadvantage .

About American Airlines

American Airlines is the world's largest airline. American, American Eagle and the AmericanConnection(R) airlines serve 250 cities in over 40 countries with more than 4,000 daily flights. The combined network fleet numbers more than 1,000 aircraft. American's award-winning Web site, AA.com, provides users with easy access to check and book fares, plus personalized news, information and travel offers. American Airlines is a founding member of the oneworld(R) Alliance, which brings together some of the best and biggest names in the airline business, enabling them to offer their customers more services and benefits than any airline can provide on its own. Together, its members serve more than 700 destinations in over 140 countries and territories. American Airlines, Inc. and American Eagle Airlines, Inc. are subsidiaries of AMR Corporation. AmericanAirlines, American Eagle, AmericanConnection, AA.com and AAdvantage are registered trademarks of American Airlines, Inc. (NYSE:AMR).

About **Citi**

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CONTACT: Tami Gross-McCarthy, +1-212-750-5755, Tami@TMGpr.com , for **Citi**; or Samuel Wang of **Citi**, +1-212-559-0499, wangs@**citi**.com ; or Billy Sanez of American Airlines, +1-817-967-1577, corp.comm@aa.com

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LOAD-DATE: June 5, 2007

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Business Wire

October 29, 2007 Monday 8:06 PM GMT

DISTRIBUTION: Advertising Writers; Business Editors; Banking Writers

LENGTH: 589 words

HEADLINE: Citi Debuts New National Advertising Campaign for US Citi Cards

DATELINE: NEW YORK

BODY:

Citi, the leading global financial services company, announced the launch of its new national advertising campaign for Citi Cards, the world's largest provider of credit cards. The first television commercial of the new US Cards campaign aired on Sunday, October 28, 2007.

The national campaign is an extension of Citi's global brand campaign "Let's Get it Done" that launched in May 2007. The US Cards advertisements make strong use of Citi's symbolic red arc, a visual metaphor for connecting human aspirations to realities. Both TV and print ads illustrate how Citi Cards enable people to create the stories of their lives by providing the financial power to fund life experiences. The first spot features a father and son who celebrate the father's 60th birthday by using a Citi Card to travel together to the land of their ancestors.

"This new campaign adds further dimension to Citi's global brand campaign. It's designed to provide a strong communications platform to support our best in class credit card products," said Lisa Caputo, Chief Marketing Officer for Citi.

Publicis New York developed the campaign idea that centers around the question "What's your story?" and created new television commercials and print advertising that aim to connect consumers and Citi Cards on an emotional level.

"We want consumers to associate the benefits of their life experiences, of creating their own life stories, of realizing their dreams with the use of their Citi Card," said Vik Atal, Chief Executive Officer, Citi Cards. "We are also providing our customers with enhanced tools and communications to make their financial life easier to manage, from our color statements to automatic alerts, and clearer credit card disclosures."

"If you think about it, your credit card statement tells a story about the experiences in your life. So, the campaign asks the question "What's your story?" and aims to communicate that a Citi Card is integral to the answer," said Rob Feakins, President, Publicis New York and Chief Creative Officer, Publicis and Publicis Dialog NY.

TV advertising will run nationally on network and cable programs such as NFL, ABC College Football, ESPN, Grey's Anatomy, CSI, Heroes and Dancing with the Stars. Print advertising will run nationally in publications like ESPN the Magazine, Sports Illustrated, People, Time, US News, Vogue and In Style.

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About Publicis

Publicis USA is, a unit of Publicis Worldwide, the original advertising network of Paris-based Publicis Groupe S.A., one of the world's leading communications companies. Publicis USA clients include Amana, BMW, **Citi**, The Coca-Cola Company, Denny's, Garnier, GlaxoSmithKline, H-P, Jenn-Air, KitchenAid, Lancome, Maytag, Nestlé, Pernod-Ricard (MKI), Procter & Gamble, Ross, sanofi-aventis, Terminix, T-Mobile, VAULT and Whirlpool. For more information, please go towww.publicis-usa.com.

CONTACT: Media:
Citi
Mark Rodgers, 212-559-1719
or
Publicis
Deborah Zdobinski, 212-279-5548
Deborah.zdobinski@publicis-usa.com

URL: http://www.businesswire.com

LOAD-DATE: October 30, 2007

For Immediate Release
Citigroup Inc. (NYSE: C)

January 07, 2010

Citi Named Best Cash Management Bank by FinanceAsia

Hong Kong – Citi's Global Transaction Services has been named the Best Cash Management Bank in Asia for 2009 by FinanceAsia. 2009 marks the sixth consecutive year Citi has won this prestigious award and the 12th out of 13 years where the editors of FinanceAsia have recognized Citi's leadership in this regional business.

According to the editors of FinanceAsia, Citi's cash management business in Asia differentiated itself in 2009 through its unmatched regional footprint, its diverse product suite and unrivaled integrated solutions. Additionally, the publication praised Citi's ability to lead the market in product innovation, provide local and regional solutions and the closer integration of cash management and trade functions.

Anthony Nappi, Managing Director, Region Head of Global Transaction Services, Asia Pacific, Citi, said: "Against challenging market conditions our cash management business in Asia Pacific continues to thrive on all major metrics. We are extremely proud to retain this prestigious award and will continue to provide our clients with unmatched cash management solutions in Asia Pacific through ongoing investment in product, technology and people."

In 2009, Citi's cash management business in Asia Pacific continued to sweep major industry polls and awards. This year alone, Citi was named the Best Overall Cash Management Bank as voted by corporates and financial institutions in Asiamoney's Cash Management Poll, the Best Cash Management Bank in Asia Pacific by Euromoney and the Best Bank for Liquidity Management in Asia by Global Finance.

Citi
Citi, the leading global financial services company, has approximately 200 million customer accounts and does business in more than 140 countries. Through Citicorp and Citi Holdings, Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management. Additional information may be found at www.citigroup.com or www.citi.com.

Global Transaction Services
Global Transaction Services, a division of Citi's Institutional Clients Group, offers integrated cash management, trade, and securities and fund services to multinational corporations, financial institutions and public sector organizations around the world. With a network that spans more than 100 countries, Citi's Global Transaction Services supports over 65,000 clients. As of the third quarter of 2009, it held on average $314 billion in liability balances and $11.8 trillion in assets under custody.

The Citi® News app for iPad. A rich, interactive app that delivers the latest Citi News

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Citigroup Inc. v. Citiair, LLC
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OPP009769

For Immediate Release
Citigroup Inc. (NYSE: C)

January 11, 2010

FinanceAsia Picks Citi as Best Bank in Asia

Citi has been chosen as the best bank in Asia for 2009 by FinanceAsia magazine, one of Asia's leading monthly finance magazines. Citi also picked up the award for best commercial bank in Asia and best cash management bank in Asia Pacific. The awards are chosen by the editors of FinanceAsia.

In the editorial to announce the results, FinanceAsia magazine, said "Importantly Citi is continuing to invest in key markets in the region and its consumer franchise is well entrenched and in addition to its strong commercial presence, Citi rebounded on the investment bank front too, raising more than US $120bn for clients in Asia Pacific in 2009. It is the go-to bank for many clients in the region."

Citi has won the best bank award nine times in the last decade from FinanceAsia.

The editorial also played up Citi's local presence across the 18 countries in which it supports clients in Asia Pacific. "In many of the countries in which it operates Citi benchmarks itself against the local competitors as foreign counterparts are just not on the same playing field," said the editors of FinanceAsia.

In the last 12 months Citi has continued to invest in Asia, underlining the bank's commitment to the region despite a challenging global financial environment. Examples include the launch of a rural lending company in China, the start of retail banking services in Vietnam and the roll out of mobile banking services across many countries in Asia.

"This region is a priority for Citi globally. I would like to thank our clients across the region that place their trust in Citi, continually increasing our customer value proposition and exceeding their expectations is what helps Citi receive these welcome accolades," said Stephen Bird, CEO for Citi in Asia Pacific.

"We are delighted to have been chosen again as the Best Bank in Asia. We will continue to invest across the region to grow our businesses and support our clients. This award acknowledges the tremendous effort put in by our colleagues over the last year and we would like to thank FinanceAsia for this recognition," said Shirish Apte, CEO for Citi Asia Pacific.

Citi also picked up best commercial bank, best cash management bank in Asia Pacific. Citi also earned best mid cap deal, best sovereign bond and best deals in Australia, Hong Kong, India, Indonesia and South Korea in the December end of year awards. In the Country awards from FinanceAsia, Citi was named best foreign commercial bank in Australia, Hong Kong, India, Indonesia, Philippines, Singapore, South Korea, Sri Lanka, Taiwan and Thailand.

Citi
Citi, the leading global financial services company, has approximately 200 million customer accounts and does business in more than 140 countries. Through Citicorp and Citi Holdings, Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management. Additional information may be found at www.citigroup.com or www.citi.com.

Citigroup Inc. v. Citiair, LLC
Opp. No. 91201920
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OPP009770

Business Wire

August 10, 2010 Tuesday 2:12 PM GMT

DISTRIBUTION: Business Editors; Financial Editors

LENGTH: 491 words

HEADLINE: Citi® Ranked Number One U.S. Corporate Card Issuer by The Nilson Report

DATELINE: NEW YORK

BODY:

Citi today announced that it has been ranked as the number one Corporate bank card issuer in the U.S. by The Nilson Report. The ranking, based on transaction volume, places Citi well ahead of its nearest competitors.

"We have continued to make great strides in the U.S. corporate card market," said Hubert JP Jolly, Citi's Global Head of Commercial Cards. "Even during the recent downturn, we continued to win business and have seen a substantial increase in the number of transactions flowing through our systems."

With a host of online, customizable, reporting tools and integrated solutions, Citi Commercial Cards offer clients a comprehensive package that takes program and report management to a higher level, providing a superior quality business intelligence engine --supporting the need for consolidated data and card-level administration and information. Citi's commercial card programs increase control and transparency, offering greater visibility into what and where organizations are spending.

"We are pleased to be recognized as the largest U.S. Corporate bank card issuer," added Amol Gupte, Citi's North America Head of Treasury & Trade Solutions. "We consistently win new business by ensuring that clients and their needs are the focus of everything that we do."

Citi Commercial Cards, is a unit of the Global Transaction Services business with issuance capabilities in over 90 countries and an extensive proprietary network of over 50 countries. The business has long been considered a pre-eminent commercial cards provider to large and multi-national organizations both in the U.S. and globally. Nearly 500 multinational corporations use its commercial cards programs at the core of their expense management strategy, making Citi a premier card issuer in terms of technology, innovation and volume.

About Citi Global Transaction Services

Global Transaction Services, a division of Citi's Institutional Clients Group, offers integrated cash management, trade, and securities and fund services to multinational corporations, financial institutions and public sector organizations around the world. With a network that spans more than 100 countries, **Citi's** Global Transaction Services supports over 65,000 clients. As of the second quarter of 2010, it held $320 billion in liability balances and $11.3 trillion in assets under custody.

About **Citi**

Citi, the leading global financial services company, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Through **Citicorp and Citi** Holdings, **Citi** provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management. Additional information may be found at www.**citigroup.**com or www.**citi**.com .

CONTACT: Media:
Citi
Nina Das, 212-816-9267
nina.das@**citi.**com

URL: http://www.businesswire.com

LOAD-DATE: August 11, 2010

LexisNexis®

Business Wire

July 18, 2011 Monday 12:00 PM GMT

DISTRIBUTION: Business Editors; Travel & Hospitality Writers; Financial Editors

LENGTH: 1208 words

HEADLINE: Citi Cards and American Airlines Introduce New Elite Traveler Credit Card with Expanded Suite of Co-Branded Product Offerings;
The Citi ExecutiveSM / AAdvantage® World EliteTMMasterCard® OffersPremium Amenities, Services and Experiences,As Well As Exclusive Mileage-Earning Opportunities

DATELINE: NEW YORK

BODY:

Just in time for the busy air travel season, Citi Cards (NYSE:C)and American Airlines (NYSE: AMR) announce today a new addition to the 24-yearCiti® / AAdvantage® credit card portfolio that has served millions of cardmembers with its products and service. The Citi ExecutiveSM / AAdvantage® World EliteTM MasterCard® will deliver exclusive elite-level travel services and experiences to American's flyers.

The Citi ExecutiveSM / AAdvantage(R) World EliteTM MasterCard(R) offers premium amenities, services and experiences, as well as exclusive mileage-earning opportunities. (Photo: Business Wire)

"The new Citi ExecutiveSM / AAdvantage® card is adirect reflection of the benefits frequent flyers are seeking in a rewards card and underscores the commitment of Citi and American Airlines to enhancing our customers' experiences," said Terry O'Neil, Executive Vice President, Citi Cards. "With premium travel benefits, accelerated AAdvantage® miles-earning opportunities and enhanced convenience, theCiti ExecutiveSM / AAdvantage® card unlocks exclusive access to elite-level benefits cardmembers can't get with any other credit card."

The Citi ExecutiveSM/ AAdvantage®World EliteTMMasterCard ®provides a new class of cardmember privileges, including:

- Admirals Club® membership privileges;
- No foreign transaction fees on purchases;
- Enhanced Airport Experience;
- Waived baggage charge for first domestic checked bag;
- Expert Concierge Service.

In addition, the new card offers a once per year AAdvantage® Elite Qualifyingmileage-earning opportunity, based on annual card spend, to put cardmembers on the fast track to American Airlines AAdvantage® elite status membership.Later this year, Citi plans to introduce the Citi ExecutiveSM/ AAdvantage® card with EMV chip card functionality to provide cardmembers with the ability to use a technology that is increasingly important when making credit card purchases abroad.

"The new Citi ExecutiveSM / AAdvantage® card offers unprecedented airline benefits that allow cardmembers to travel in comfort and style," said Maya Leibman, President - AAdvantage Loyalty Program. "Moving through the airport more quickly, relaxing at the Admirals Club® and earning AAdvantage® Elite Qualifying Miles are just a few of the many fantastic perks this new card provides."

Citi ExecutiveSM / AAdvantage® World EliteTMMasterCard® Details:

- Admirals Club® Membership privileges for cardmember and immediate family or up to two traveling guests to enjoy the comfort, convenience and service of a private lounge with complimentary drinks and light snacks, WiFi, and a suite of business services - at over 40 worldwide locations
- 10,000 AAdvantage® Elite Qualifying Miles (EQMs) after the first $40,000 in eligible net purchases made on the card within a calendar year
- No foreign transaction fees on purchases
- Enhanced airport experience including priority check-in, airport screening and boarding privileges, regardless of the class of service of the cardmember's ticket
- Two American Airlines AAdvantage® miles per $1 spent on eligible purchases made with your Citi ExecutiveSM / AAdvantage® World EliteTM MasterCard® credit card for items billed by American Airlines as merchant of record
- Waived baggage charge for first domestic checked bag for cardmember and up to eight companion(s) traveling under the same itinerary
- Expert Concierge Service: Top-tier customer service representatives available 24-hours a day to assist with dinner reservations, travel arrangements, gift purchases and more
- No mileage cap on miles earned through purchases made with the card
- EMV chip card functionality to enable purchases abroad at EMV chip-enabled merchants, planned introduction in 2011
- Access to Citi's Private Pass Program, providing cardmember opportunities such as presale events and VIP experiences
- Free tools such as email and text alerts, billing due date option and automatic payments to help with account management
- Extended Warranty on purchases
- Complimentary Travel Services: Automatic Travel Accident Insurance, Travel and Emergency Assistance Services, Auto Rental Insurance, Trip Cancellation/Trip Interruption Coverage
- Comprehensive fraud and theft protection including: Fraud Early Warning, $0 Liability for unauthorized purchases, Citi® Identity Theft Solutions, and The Lost Wallet® Service
- $450 annual fee

For more information about the Citi ExecutiveSM / AAdvantage® World EliteTM MasterCard®, please visit citiexecutiveaadvantage.citi.com .

About Citi® / AAdvantage®

The industry-leading Citi® / AAdvantage® credit card was among the first of its kind when it debuted in 1987. The co-branded credit card program has since grown to include millions of loyal customers and is one of the most dynamic and unique card programs in the industry. Citi and American Airline's suite of co-branded mileage rewards cards include: Citi® Gold / AAdvantage® World MasterCard®, Citi® Platinum Select® / AAdvantage® World

MasterCard®, **Citi**® Gold / AAdvantage® Visa Signature®card, **Citi**® Platinum Select® / AAdvantage® Visa Signature® card, **Citi**® / AAdvantage® American Express® card, **Citi**® SelectSM / AAdvantage® American Express® card, **Citi**® ExecutiveSM / AAdvantage® World EliteTM MasterCard®, **CitiBusiness**® / AAdvantage® MasterCard®, **CitiBusiness**® / AAdvantage® Visa® card and **Citibank**® / AAdvantage® Debit Card.To apply for the **Citi** ExecutiveSM / AAdvantage® Card, visit **citiexecutiveaadvantage.citi**.com .

About **Citi**

Citi, the leading global financial services company, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. **Citi** provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management. Additional information may be found at www.**citigroup.**com .

About American Airlines

American Airlines, American Eagle and AmericanConnection® serve 250 cities in 50 countries with, on average, more than 3,600 daily flights. The combined network fleet numbers more than 900 aircraft. American's award-winning website, AA.com®, provides users with easy access to check and book fares, plus personalized news, information and travel offers. American Airlines is a founding member of theoneworld® Alliance, which brings together some of the best and biggest names in the airline business, enabling them to offer their customers more services and benefits than any airline can provide on its own. Together, its members serve approximately 900 destinations with more than 9,000 daily flights to 145 countries and territories. American Airlines, Inc. and American Eagle Airlines, Inc. are subsidiaries of AMR Corporation. AmericanAirlines, American Eagle, AmericanConnection, AA.com, and AAdvantage are trademarks of American Airlines, Inc. (NYSE: AMR).Facebook: www.facebook.com/AAdvantage .Twitter: www.twitter.com/AAdvantage (Twitter handle @AAdvantage.)

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CONTACT: **Citi**
Emily Collins, 212-559-0499
Emily.collins@**citi.**com
or
American Airlines
Stacey Frantz, 817-967-1577
Corporate Communications
Fort Worth, Texas
mediarelations@aa.com

URL: http://www.businesswire.com

GRAPHIC: The **Citi** ExecutiveSM / AAdvantage(R) World EliteTM MasterCard(R) offers premium amenities, services and experiences, as well as exclusive mileage-earning opportunities. (Photo: Business Wire)

LOAD-DATE: July 19, 2011

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23 of 1023 DOCUMENTS

Business Wire

March 15, 2012 Thursday 1:57 PM GMT

DISTRIBUTION: Business Editors; Financial Editors

LENGTH: **702** words

HEADLINE: **Citi** Named Best Global Treasury and Cash Management Provider by Global Finance Magazine; Wins Eight Additional Awards Recognizing Continued Leadership in Regions and Categories, including Best Purchasing **Card** Provider

DATELINE: NEW YORK

BODY:

Global Finance magazine has ranked **Citi** the number one Treasury and Cash Management provider. For the tenth consecutive year, **Citi** has ranked as the top global provider in the industry. **Citi** was also named best Treasury and Cash Management provider in Latin America for the fourth consecutive year.

Each year, Global Finance editors - with input from industry analysts, corporate executives and technology experts - select the best providers of treasury and cash management services. A variety of subjective and objective criteria are used for choosing the winners. Factors considered included: profitability, market share and reach, customer service, competitive pricing, product innovation and the extent to which treasury and cash management banks have successfully differentiated themselves from their competitors around core treasury and cash management service provision.

In addition to the Global and Regional win, **Citi** was also ranked number one in the following categories:

- Best Bank for Liquidity Management - Latin America
- Best Bank for Risk Management - Africa, Asia, Latin America, Middle East
- Best Bank for Payments and Collections - Latin America
- Best Treasury Management Systems & Services Providers - **Citi** for Best Purchasing Card Program

"The global business environment continues to be challenging so it is important that as we deliver new solutions, we ensure that what we're delivering is strategically relevant to our clients' business priorities and operating models, while also ensuring our existing platforms remain world class and meet the daily needs of our clients," said Naveed Sultan, Global Head of Treasury and Trade Solutions with **Citi's** Global Transaction Services. "Our teams around the globe work hard to deliver on this promise and we are pleased to once again be recognized as the best treasury and cash management provider globally."

For the first time, **Citi** was recognized for its innovative Purchasing Card solution. **Citi's** suite of B2B card solutions leverages the industry's largest global issuing footprint. **Citi** has rapidly expanded around the globe while providing clients with the consistent business experience that only a common unified technology platform and lack of reliance on bank partners can provide. As a result, **Citi** clients around the world benefit from consistent customer service, functionality, reporting, and new innovative products.

In addition to its suite of Purchasing Card solutions, **Citi's** Commercial Card portfolio includes its award-winning Virtual Card Accounts solution, Travel & Entertainment cards, Project, Meeting and Fleet Card capabilities as well as Buyer Initiated Payment Cards.

"**Citi** is very pleased to have won the Purchasing Card award," added Naveed Sultan. "We have worked hard to build the infrastructure necessary to support our global clients and their objectives. This award validates our long-held strategy of providing the largest proprietary global network in the industry in order to provide clients with increased flexibility and cost efficiencies."

Global Transaction Services, a division of **Citi's** Institutional Clients Group, offers integrated cash management, trade, and securities and fund services to multinational corporations, financial institutions and public sector organizations around the world. With a network that spans more than 95 countries, **Citi's** Global Transaction Services supports over 65,000 clients. As of the fourth quarter of 2011, it held on average $368 billion in liability balances and $12.5 trillion in assets under custody.

About **Citi:**

Citi, the leading global financial services company, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. **Citi** provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management.

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CONTACT: **Citi**
New York:
Nina Das, 212-816-9267
nina.das@**citi.**com

URL: http://www.businesswire.com

LOAD-DATE: March 16, 2012

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Business Wire

March 21, 2012 Wednesday 2:08 PM GMT

DISTRIBUTION: Business Editors; Financial Editors

LENGTH: 780 words

HEADLINE: Citi Launches Program Audit Tool for Commercial Card Clients

DATELINE: NEW YORK

BODY:

Citi's Commercial Cards launches the Program Audit Tool (PAT), an innovative web-based card activity monitoring application. The new tool focuses on program management, program compliance and optimization; helping to protect organizations against fraud and card misuse by identifying out-of-program transactions.

Available globally in most markets, the inclusion of PAT within Citi's suite of Commercial Card program management tools shows Citi's commitment to providing capabilities that help ensure the integrity of card programs as regulatory and other requirements continue to rapidly evolve. PAT allows clients to actively manage how their Citi Commercial Cards are being used around the globe, by creating parameters to rule sets that identify which card transactions are outside internal policy guidelines.

"Citi's Program Audit Tool provides clients with yet another resource to protect their programs from fraud or card misuse," said Manish Kohli, Citi's Global Head of Commercial Cards. "PAT allows clients to not only proactively identify when cards are being misused, but also to establish internal controls and auditing processes that drive program compliance."

PAT goes beyond the traditional transaction flagging capabilities of commercial card reporting programs by automating the evaluation and audit process, saving time and resource costs associated with extensive manual program review. Card program reviewers using PAT will be immediately directed to pre-flagged transactions falling outside the defined program parameters in order to decide if any action is necessary.

A distinctive feature of PAT is the use of a role-based workflow. A hierarchical workflow controls users' access to different parts of the audit process and helps to ensure accountability, integrity and efficiency. Additionally, the tool is built into Citi's proprietary reporting system and is easily accessible via a link within Citi's web-based, global program management tool, CitiManager®. PAT comes with a unified interface, entitlement and workflow for ease of use by program administrators.

One set of rules allows clients to restrict the type of merchant -- either by merchant category code or by the actual merchant name -- cardholders can use. When a cardholder makes a purchase at any of the restricted merchants, the built in workflow will engage the level of hierarchy necessary to escalate or approve the non-compliant transaction.

PAT also includes a variety of pre-packaged reports that provide insight into key financial data and program information. The reports come with drilldown capabilities that allow users to delve deep into transaction and account details as required. Program administrators can use PAT to optimize program resources and streamline program compliance monitoring and reporting. The unique combination of capabilities of the Program Audit Tool allows clients to automate both internal and external audit procedures.

Citi Commercial Cards, with proprietary issuance capabilities in 100 countries including local-currency programs in 65 countries, has long been considered a leading commercial card provider to large and multi-national organizations globally. **Citi** Commercial Cards' products form the core of the expense management strategies for nearly 500 multinational corporations, making **Citi** a premier card issuer in terms of technology, innovation and volume. For more information regarding any of **Citi's** innovative global solutions, please visit **citimanager**.com.

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CONTACT: **Citi**
New York:
Nina Das, 212-816-9267
nina.das@**citi.**com

URL: http://www.businesswire.com

LOAD-DATE: March 22, 2012

Business Wire

June 13, 2012 Wednesday 1:20 PM GMT

DISTRIBUTION: Business Editors; Banking Writers; Financial Editors

LENGTH: **730** words

HEADLINE: **Citi** Wins 2012 Celent Model Bank Award;
Citi Commercial **Cards** Recognized for Excellence in Infrastructure and Architecture

DATELINE: NEW YORK

BODY:

Citi Commercial Cards has won the 2012 Celent Model Bank award for excellence in infrastructure and architecture. The award recognizes **Citi** Commercial Cards' business strategy to deploy a standardized core processing system across all regions to provide global products and services.

The award, which seeks to answer the question "What would it look like for a bank to do everything right with today's technology?" is awarded annually as recognition of a bank's effective use of technology to improve performance and meet market demands.

Citi Commercial Cards' single, unified processing platform aims to drive a consistent experience for cardholders and program administrators regardless of the country in which they are based. As **Citi's** clients continue to expand internationally, this proprietary operating environment offers a unified global platform that facilitates truly global card programs.

"Our clients have operations throughout the world," said Naveed Sultan, **Citi's** Global Head of Treasury and Trade Solutions. "It is our goal to provide the consistency of experience that they require in order to more efficiently manage their businesses. The standardized platform strategy of our Commercial cards business is another enabler of our aspiration to be the world's digital bank."

"Innovation leveraging technology is a core part of our culture and we are extremely pleased to have been recognized as a Celent Model Bank," added Manish Kohli, Global Head of **Citi** Commercial Cards. "Our platform migration strategy has been a complex, substantial undertaking and our continued roll-out exemplifies **Citi's** ongoing commitment to innovation, standardization of client experience, and our focus on meeting our clients' needs as they expand their Commercial Cards programs globally."

Every new commercial card country expansion leverages the same proprietary infrastructure, providing a sophisticated yet configurable solution into all new territories. **Citi** has rapidly expanded its geographic footprint and now offers local currency issuing capability in 65 countries around the globe. New launches over the past two years include:

- Bulgaria
- Egypt
- Greece
- Israel
- Kenya
- Luxembourg
- New Zealand
- Nigeria
- Pakistan
- South Africa
- United Arab Emirates

The pace of implementation of **Citi** Commercial Cards' unified platform strategy has continued to gather speed and plans for further expansion are in the advanced stages of execution.

"Celent is pleased to present this award to **Citi** Commercial Cards," said Bob Meara, Senior Analyst with Celent's Banking Group. "Among the many excellent nominations this year, **Citi's** globally unified processing platform exemplified a best practice."

Citi Commercial Cards, with proprietary issuance capabilities in 100 countries including local-currency programs in 65 countries, has long been considered a leading commercial card provider to large and multi-national organizations globally. **Citi** Commercial Cards' products form the core of the expense management strategies for nearly 500 multinational corporations, making **Citi** a premier card issuer in terms of technology, innovation and volume. For more information regarding any of **Citi's** innovative global solutions, please visit www.**citimanager.**com .

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CONTACT: **Citi**
Nina Das, 212-816-9267
nina.das@**citi.**com

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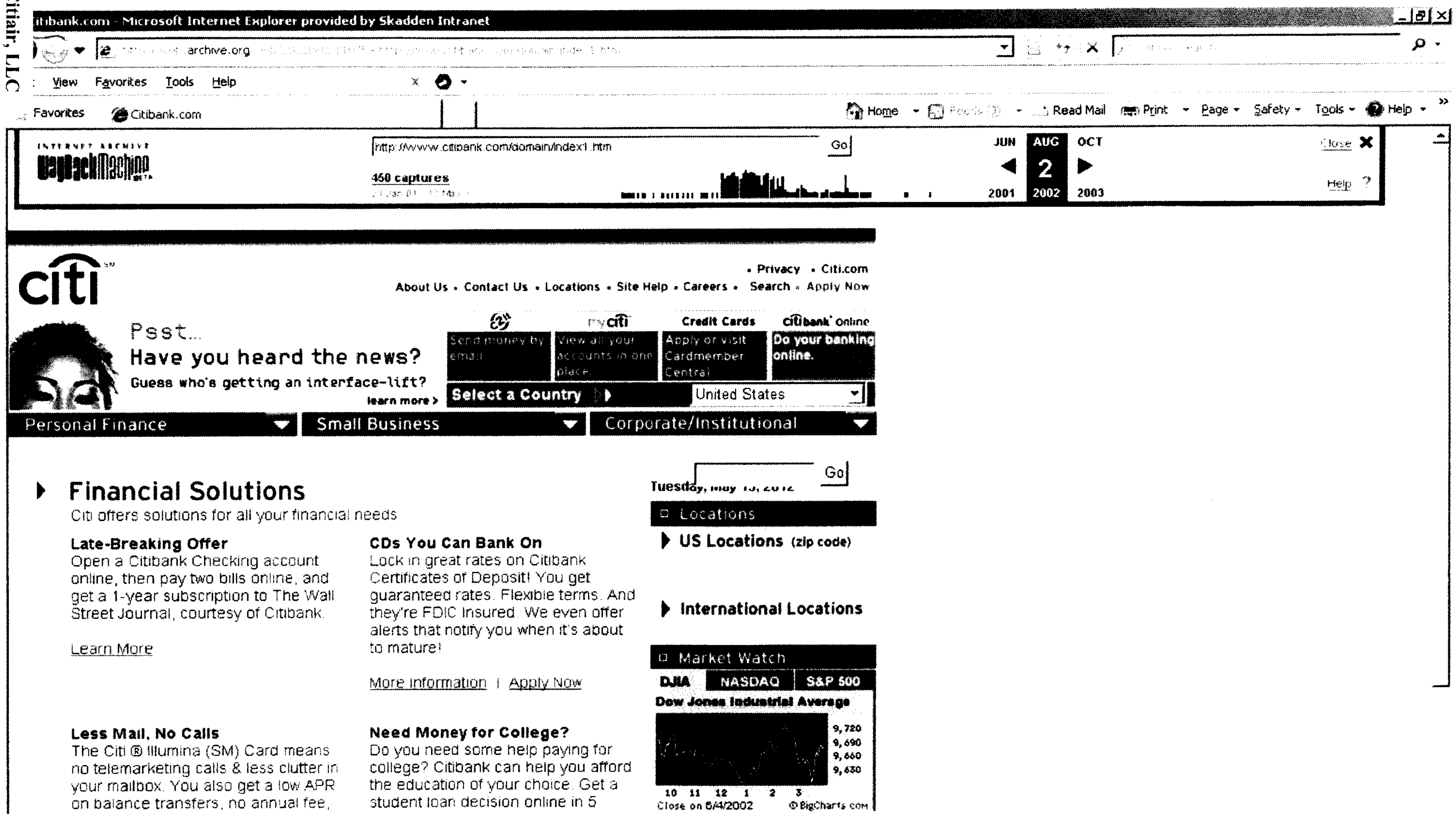
LOAD-DATE: June 14, 2012



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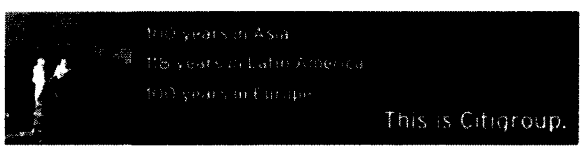

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Get all the funding you need fast, with a CitiAssist® Loan with new lower rates and zero origination fees.

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eBills from Citibank
Receive, view and manage your bills where you pay them on Citibank Online

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In the Spotlight

ThankYou® Network

A unique rewards program

Earn points for having Citibank accounts. And for the things you normally do. Paying bills online. Making debit card purchases. Using Direct Deposit.

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Citi Expands Homeowner Assistance Program

See the many ways that Citi protects you

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Investing
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- Women & Co.®
- Citi Private Bank
- Expatriate Banking

Why Choose Citi?

Convenience
- Citi Mobile®
- Online Statements
- Inter Institution Transfers
- Wire Transfers
- Worldwide ATM Network
- Customer Service 24/7
- Citibank en español

Rewards
- ThankYou® Network
- Citibank® / AAdvantage® Debit Card

Security
- Online Fraud Protection
- Citi® ID Theft Solutions
- Citi® IdentityMonitor®

FDIC Citibank is participating in the FDIC's Transaction Account Guarantee Program. Under that program, through 12/31/09, all non-interest and interest-bearing checking accounts are fully guaranteed by the FDIC for the entire amount in the account. Learn more

Tuesday, May 15, 2012 11:37 AM

OPP001397

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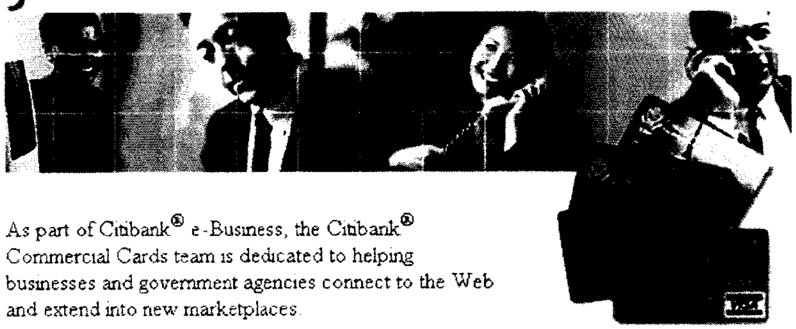
empowering business for success

CitiManager℠

Commercial Cards



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- Small Business
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- ATM /Citibank Locator

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As part of Citibank® e-Business, the Citibank® Commercial Cards team is dedicated to helping businesses and government agencies connect to the Web and extend into new marketplaces.

Through CitiManager℠, the online home of Citibank® Commercial Cards, you can learn about solutions that are designed for both traditional and online business

- Credit cards for business use: Purchasing, Corporate (Travel), Fleet and One Card programs
- Online solutions. Web-based program management and procurement systems
- Global expansion plans

Our integrated solutions, combined with the security, trust and guidance that you expect from Citibank, provide the resources you need to manage your business and financial processes more effectively.

Contact the Commercial Cards team, and let us help you transform your business... to help you maximize your success.

Select a section which best reflects the services you are interested in

- Corporate Services
- Government Services
- Global Expansion

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Home > Cash Management > Commercial Cards

CitiManager® Citibank® Commercial Cards

Acceptance around the world. Flexible, comprehensive online reporting. These are the details that make a difference when you are looking for a commercial card provider to help manage your expenditures, streamline your financial processes, and improve your bottom line.

Whether your needs are local or global, Citibank can customize a solution that puts you in control of your travel and entertainment or purchasing card program. Get the most advanced payment, reporting and expense management tools in the industry. And the transaction details you need ... when you need them ... so you can manage your business more effectively. All backed by the security, trust and best-in-class customer service you expect from Citibank.

Learn more about how Citibank Commercial Card solutions can help you take care of the details.

Printable Version

Registered users can access our Web-based tools through the following links:

- CitiDirect® Card Management System
- Citibank® Custom Reporting System
- Citibank® Electronic Reporting System
- Citibank® Online Statements

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OPP001402

Credit Cards

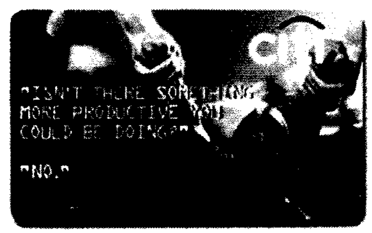
· Cardmember Central

Register Sign-on

See how far a single click can take you. Cardmember Central gives you access to information that enables you to make choices that fit your lifestyle. If you're an Account Online user, Sign-on, enter your User ID and Password. If not, Register now for instant access. You only need to sign-on once to access any of the features below.
It's all a click away:

- Account Online
  Manage your credit card account, get statements, track purchases, pay your bills, and email money.
- CitiPrivileges℠
  Design your own shopping experience. Choose where you want to shop, find the best prices, and get special deals.
- Financial Solutions
  Financial products and services from a company you trust, whether you're financing a home, saving or investing.
- Citibank® Toolbar
  Simplify your online life. Access your favorite sites, fill out online shopping forms, and check stocks.

The impact of a single click



- Choose the card that's right for you. Apply online and receive an *instant response* for selected cards. **APPLY**

» Our highest priorities are your privacy and security

- Already have a card? Learn more about it here.

Select One

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Introducing Citi PremierPass℠
the first & only rewards card...
that gives you points for
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AND the miles you fly
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  Monitor, manage & protect your valuable credit & identity information. Helpful online credit analyzer tool.
- **Citi® Diamond Preferred® Rewards Card**
  Receive 5,000 bonus ThankYou Points® after 1st purchase and redeem for your choice of a $50 Gift Card. Apply Now.
- **Get up to $200 from Citibank**
  Open a Citibank checking account online and you could receive up to $200.

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» Redeem Rewards

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Receive $10 Citi Rebate with Citibank One Bill.

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A credit card that offers you the best deals

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› Gourmet Pleasures

Ready Credit

Citibank Ready Credit SmartCash From $1,700/month onwards.

Apply Now

The fastest, most flexible credit line in town

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› Opt for PayLite Instalment Loan

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Get higher interest with Citibank Step-Up Interest Account

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Get more with savings accounts & time deposits.

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› Open a S$ Time Deposit

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General Information

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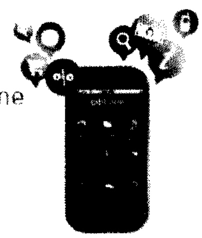

Be empowered and manage your finances whenever and wherever you are with your mobile phone

Experience Citi Mobile Today!

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Important Notice:

Card security has always been our priority and to further enhance it, we have added an overseas usage de-activation feature on our ATM/Debit Cards for ATM cash withdrawals and Debit Card transactions overseas. Click here to find out more

System Maintenance

There will be system maintenance for Citibank Online on Sunday, 12 August 2012 between 3am SST to 6am SST. Please expect intermittent delays while accessing Citibank Online functions during this period.

Should you require any assistance, please contact our 24-Hour CitiPhone Banking at (65) 6225 5225. We apologise for any inconvenience caused.

OPP012148

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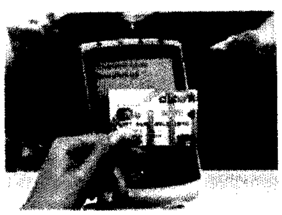
Credit Cards



Get additional 5% cash back now!

Wave to earn. Powered by Citi.

My Credit Card Benefits

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- Citibank World Privileges
- TANGS Rebate
- Citi Rebate
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- Citibank Supplementary Card
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- Credit Limit Increase
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view all

The most rewarding cards in town! Choose a category of cards

Mouseover on cards to Learn More or Apply for Card

Apply for a Credit Card Online

Choose one

Bag the best deals.

Enjoy up to 50% off with our fabulous shopping treats.

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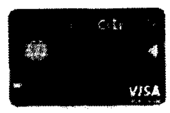
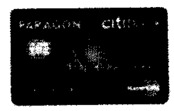
Rewards $$ Cash Rebate Miles Student Business

Citibank Rewards Visa/MasterCard

Citibank Clear Platinum Card



Citibank Paragon WORLD MasterCard



Spread the word.
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You may need...

- Equal Payment Plan
- Credit Shield
- CPF submission

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Citibank Rewards Card

Rewards x 10.*
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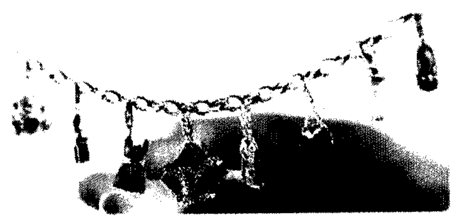
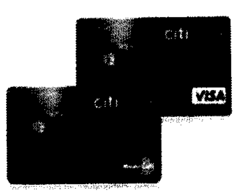
APPLY NOW



With 10x rewards, your shopping gets you the most rewards locally and overseas, all year long

Top 3 reasons to get a Citibank Rewards Card



1. Enjoy 10x Rewards (S$1 spend = Citi $10) whenever you shop for shoes, bags or clothing or at department stores, locally & overseas
2. Redeem for absolutely anything instantly
3. Earn up to 10% Citi Rebate at over 500 locations islandwide

OPP011847

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› Application Forms
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Apply Now

(Applicable to Singaporeans and PRs only)

Promotions Benefits Features How to Apply Privileges

Citibank Rewards Card

Dazzling deals whatever you do

- Indulge yourself with **dining privileges** at over 1,000 locations islandwide.
- Enjoy exclusive deals and further shopping privileges with **6% rebate at TANGS**, all year round.
- Go further with **10% discount** on fuel purchases any Esso station[1]

[1] Offer valid until further notice. T&Cs apply

- Enjoy life on a global scale with **Citibank World Privileges**. Get the best local deals, savings & benefits at the best restaurants, golf courses, boutiques & hotels, anywhere in the world.

Lifestyle Benefits

Enjoy the ultimate in personalized services with our 24-hour Citibank Services. Simply call our concierge at **6238 7777** and we'll provide you with almost anything you need.

Citibank Rewards WORLD MasterCard

- Enjoy Complimentary Travel Insurance when you charge your travel tickets to Citibank Rewards WORLD MasterCard
- Be showered with exclusive dining privileges, complimentary access to prestigious golf courses, special discounts and offers on airfares, hotels, beauty & spa, plus many more with exclusive benefits on your Citibank Rewards WORLD MasterCard.

OPP011848

Citibank Rewards Visa Signature Card

- Enjoy Complimentary Travel Insurance when you charge your travel tickets to Citibank Rewards Visa Signature Card
- Your Citibank Rewards Visa Signature Card comes with a range of lifestyle benefits and privileges, exclusive for Visa Signature customers

Apply Now

(Applicable to Singaporeans and PRs only)

Click here to view Cardmember's Agreement

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Citi Rewards

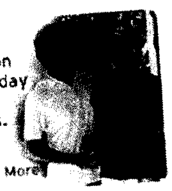
Indulge in anything you like and whenever you want, with Citi Rewards. Simply enjoy the luxury of choice that our program has to offer:

- Instant Citi Rewards - Hassle-free redemption and Pay with your Citi Dollars!
- Redeem Absolutely Anything - Use your Citi Dollars to offset your purchases
- Extensive Citi Rewards catalogue - Over 250 rewards choices featured, selected with your preferences and relevance in mind

Redeem your Citi Rewards instantly when you travel overseas! Click here for more information

You can now redeem your Rewards easily without the need for your Credit Card PIN. Simply select Express Login from the "Log On" options at the top right of the screen.

Greater savings on your holiday with Citi Rewards.



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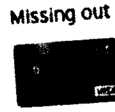
Missing out on offers?



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Instant Citi Rewards | Redeem Absolutely Anything | Citi Rewards Catalogue | FAQ | How to Redeem

You can redeem your rewards online or via AVR or via our CitiPhone Banking. To find out how many Citi Dollars you have earned, just check your monthly statement of account, log in or call our 24-Hour CitiPhone self-service banking at (65) 6225-5225. Please note that vouchers issued are neither refundable nor exchangeable for another Reward, cash or Citi Dollars. A service fee of $10 per voucher will be charged for the replacement of Rewards vouchers. Terms & conditions apply.

2 convenient redemption methods:

For Online Redemptions,

Simply log in with your card number & pin

- SELECT "Credit Card Services"
- CLICK "Rewards Redemption"
- **NEW!** You can also redeem your rewards easily without the need for your Credit Card PIN. Simply select Express Login from the Log On options at the top right of the screen.

For Phone (AVR) Redemption,

Simply log in with your card number & pin

- Call our 24-Hour CitiPhone Banking at **6225-5225**
- ENTER your 7-digit NRIC or 16-digit Visa/MasterCard Number
- PRESS 5 for Rewards
- PRESS 2 for Rewards and Redemption
- PRESS 1 to redeem rewards
- PRESS 1 and enter the 6-digit Rewards code (Please do not enter the first 2 characters of the 8-character rewards code), followed by # key
- ENTER the number of vouchers you would like to redeem, followed by # key
- PRESS 1 to confirm your redemption

OPP011879

If you require the assistance of our CitiPhone Officer, a nominal fee of 600 Citi Dollars per reward will be charged.

Click here for Terms and Conditions

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OPP011880

Citibank PremierMiles Card

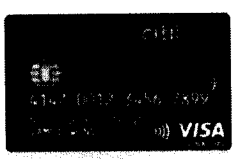
Your miles never expire.

Freedom to travel. Powered by Citi.

APPLY NOW

Take flight into a world of freedom. Citibank PremierMiles Card has been designed for you, offering the widest network of airlines, the most freedom to redeem your miles and best of all, Citi Miles never expire!

Top 3 reasons to get a Citibank PremierMiles Card



1. **Earn 2 Citi Miles with every S$1 overseas spend.** Earn 1.2 Citi Miles with S$1 spent locally, 10,000 bonus Citi Miles upon renewal
2. Largest redemption options with 50 airlines. Instant redemption at local and overseas merchants
3. **Your Citi Miles never expire!**

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Apply Now

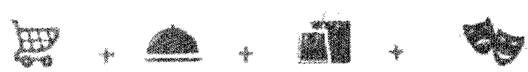
Features   Premier Access   Benefits   How to Apply   Visa payWave

Earn Miles on Your Everyday Spending.

- **Earn 2 Citi Miles with every S$1 overseas spend** Earn 1.2 Citi Miles with every S$1 local spend (No minimum spend required, No rebate cap)
- Citi Miles never expire
- 10,000 Citi Miles upon renewal

With a faster earning rate, You will always go on a trip with your Citibank PremierMiles Card!

Local Spend



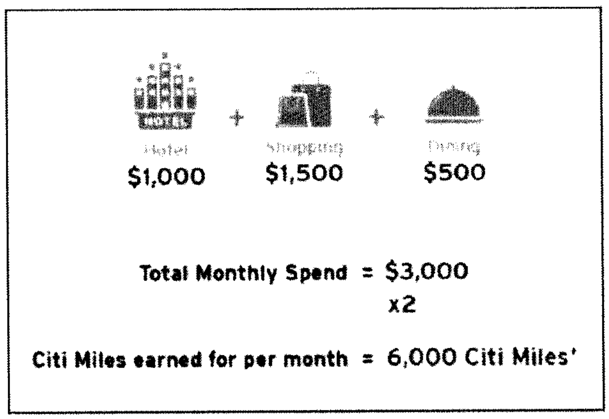
$700 + $800 + $1,500 + $1,200

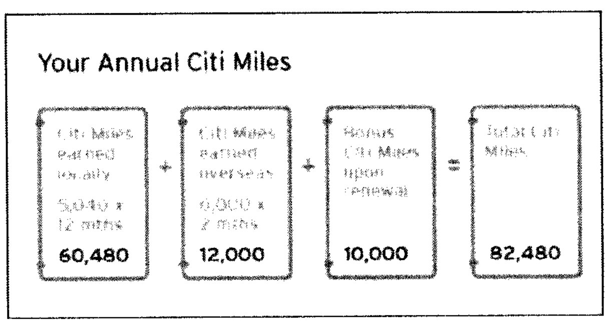
Total Monthly Spend = $4,200

x1.2

Citi Miles earned every month = 5,040 Citi Miles*

Overseas Spend





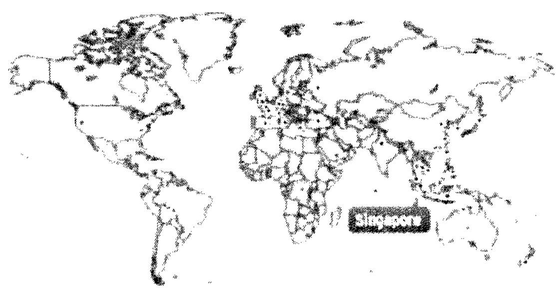
This means you'll earn 82,480 Citi Miles* – enough to redeem one free economy round-trip air ticket to London , or two free economy round-trip air tickets to Shanghai.

Where is your next travel destination?

Find out how many miles and how your spend to get you there. Try it now!

Choose your destination

Please click on your destination to calculate the total miles required and your monthly spend



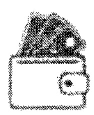
Find out key attraction in your dream destination. Brought to you by Lonely Planet!

Download Lonely Planet Citi Guide

True flexibility and total freedom in redemption.

True flexibility and total freedom in redemption.

Enjoy true freedom with your miles. Here's how:



Redeem

Cash rebates on any travel related purchase
2,000 Citi Miles = $20 value*

Call our 24-Hour CitiPhone Banking at 6225-2727 for redemption

Choose from a wide range of more than 50 airlines from the participating Frequent Flyer Programmes (FFP)*

1 Citi Mile = 1 Mile to the following FFP

- **KrisFlyer**
- **SkyMiles**
- **Royal Orchid Plus**

1 Citi Mile = 0.4 Mile to the following FFP

- **Asia Miles**

Call Citibank PremierMiles Service at 6225 2727 or Click here to make your redemption.

- Use Citi Miles at travel related merchants to offset spending immediately
- You can enjoy Cross border instant redemption at the participating merchants in Bali and Bangkok!

Find out instant redemption merchants, Please visit Citi Rewards.

Contact me (OR) Submit Online Application

(Applicable to Singaporeans and PRs only)

Click here to view the Cardmember Agreement

Important Notes

- Excludes purchases made on flexible payment plans and cash advances. Overseas spending is identified as transactions amount posted in foreign currency only
- Upon renewal of annual membership you will receive 10,000 Citi Miles
- The above is only an illustration. Citi Miles will be rounded down to the nearest dollar per transaction

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Apply for a new account
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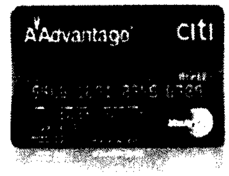
Earn 25,000

American Airlines AAdvantage® bonus miles*

»*Get details

Citi Platinum ... World MasterCard



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0% APR on purchases

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Citibank.com ranked #1 by Keynote

See the many ways that Citi protects you

Welcome to Citibank

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See all

Online Banking with Bill Pay
Checking
Ultimate Money Account
Ultimate Savings Account
Savings
IRAs & Rollovers
Certificates of Deposit (CDs)
Overdraft Protection
Citigold®
Small Business
Citi Private Bank
Expatriate Banking

Credit Cards
See all

Most Popular Credit Cards
Compare Credit Cards & Apply
Cards with ThankYou® Network
Small Business Credit Cards

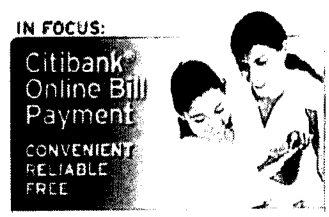
Lines & Loans
See all

Home Equity Line of Credit
Home Equity Loan
Personal Lines & Loans
Student Loans
Mortgages

Investments

Smith Barney
Women & Co.®

IN FOCUS:



Save Time, Save Money

Get details

Why Choose Citi?

Because we offer an unparalleled range of products and services—online and off.

Convenience

Manage your money as you choose.
Citi Mobile℠
Online Statements
Inter Institution Transfers
Wire Transfers
Worldwide ATM Network
Customer Service 24/7
Citibank en español

Rewards

Get rewards for your everyday banking.
ThankYou® Network
Citibank® / AAdvantage® Debit Card

Security

Enjoy peace of mind when you bank at Citi.
Online Fraud Protection
Citi® ID Theft Solutions
Citi® IdentityMonitor®

Citigroup, Inc. v. Capital City Bank Group, Inc., Opp. No. 91177415 Citigroup Ex. 103

CITI 0010717

Citigroup Inc. v. Citiair, LLC
Opp. No. 91201920
Opposer NOR Ex. 553

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OPP001544

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Home > Banking

Banking

Banking the way it should be.

Citibank offers a wide range of checking, savings, CD and retirement products — and all come with many free services including online banking, convenient account access, and 24/7 support.

» Open an account

Rates

Featured Products

Products	APY	Interest rate	
Ultimate Money Account	2.65%	2.62%	Apply
Ultimate Savings Account	2.25%	2.23%	Apply
	3.25%	3.20%	Apply

See all rates

Direct Deposit from Citibank

Less time at the bank means more time for the things

Forget the fees.

You can fill it in no time.

FREE Online Bill Payment from Citibank.

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Our Products

Highlights:

- : Earn **2.65%** APY when you make two online bill payments each calendar month.
- — Lock in a competitive **3.25%** APY with a 9-month CD.
- Checking Plus — For easy access to cash when you need it, apply for a credit line that also provides overdraft protection. **Find out in minutes if you're approved.**

You're looking for:

- Checking Accounts
- Savings & Money Market
- Certificates of Deposit (CDs)
- IRAs & Rollovers

You're a...

- Student
- Small Business Owner
- Private Banking Client

¿Hablas español? Visita

Our Services

Security

- SafeWeb Online Fraud Protection
- Protection Services

Access

Convenience

- Overdraft Protection

Support

Rewards

- ThankYou Network[1]
- Citibank AAdvantage Debit Card

Already a customer?

Activate your online account

Open an account

Why choose Citibank?

Access

You get easy access to your accounts—online, by phone, and through our worldwide network of ATMs and branches.

Control

Get cash when you need it with a variable-rate credit line or a fixed-rate personal loan. Apply online and find out in minutes if you're approved.

Convenience

You can do almost everything you need to online—pay bills, make transfers, view your balance, see your statement, and more.

Learn more

Security

Your accounts are protected with advanced technologies and services including 128-bit encryption and online fraud protection.

Learn more

Still have questions?

Call us at 1-800-374-9700.
Text Telephone (TTY) 1-800-788-0002

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Banking

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Online Banking

Online Banking

Online, there are no lines.

Citibank Online lets you take care of business without visiting a branch — you can pay bills, view account activity, make transfers, send wires, and use a wide variety of self-service options.

» Sign on to your account

» Not a customer? Open an account

Learn about a product or service

Choose one

Open an account

Choose one

Award-winning online banking[1]

With Online Banking, you can do just about everything you need to do without ever visiting a branch or calling.

- — Make payments to virtually anyone in the U.S. anytime.
- E-mail and wireless alerts — Have account updates delivered to your cell phone or e-mail.
- Online bank statements — Receive your monthly statement online instead of by mail.
- Online check images — View and print checks you've written that have cleared.
- Extensive transfer services — Move money within the U.S. or abroad and to Citi or non-Citi accounts.
- SafeWeb[®] Fraud Protection — Protects you against unauthorized transfers in your deposit accounts.
- 24/7 customer support — Call or send us a message online.

Your Key to Getting Started

New to online banking?

Activate your account online

Already using online banking?

Take advantage of our great services

Manage your finances 24/7

» Sign on to your account

» Not a customer? Open an account

Still have questions?

Call us at 1-800-374-9700

Text Telephone (TTY) 1-800-788-0002

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Checking at-a-glance

Citibank has an account to suit your style.

In checking as in life, needs vary. That's why Citibank offers a variety of checking accounts, each with its own unique benefits and balance requirements.

- Get help choosing the right account
- Compare checking accounts

Citibank® EZ Checking

Click to compare

Convenient and flexible, this checking account comes with all the bells and whistles you need.

- **FREE of monthly fees if you use direct deposit OR make two monthly bill payments OR maintain a $1,500 combined average balance[1]**

Open an Account
Get Details

The Citibank Account

Click to compare

A full-service package that has a modest minimum and offers the option to add Interest Checking.

- **FREE of monthly fees if you maintain a $6,000 combined average balance[1]**
- **Interest Checking option**

Open an Account
Get Details

Citibank Everything Counts®

Click to compare

Link all your Citi accounts and make everything count towards more services and rewards.

- **FREE of monthly fees if you maintain a $10,000 combined average balance[1]**
- **Includes Interest Checking**

Open an Account
Get Details

Citigold®

Click to compare

Premier treatment all around. Enjoy priority service, preferred rates, and exclusive savings and rewards.

- **Premier account relationship**
- **$100,000 combined average balance[1]**

Open an Account
Get Details

Citibank Access Account

Click to compare

It includes everything except paper checks, so its great if you pay bills and do all your banking online.

- **Monthly maintenance fee waived with Direct Deposit**
- **No minimum balance**

Open an Account
Get Details

Basic Checking

Click to compare

Take advantage of all the basic services for a low, fixed monthly fee.

- **Low fixed monthly fee**
- **No minimum balance**

Open an Account
Get Details

Still have questions?

... Client Agreement.

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Citi.com

Terms & Conditions

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Ultimate Money Account

It pays to pay your bills online

The Ultimate Money Account offers a 2.65% Annual Percentage Yield when you use our FREE Online Bill Payment service.

The Citibank®
ultimate money account

2.65% APY[1] | **FDIC Insured** **No minimum balance**

» Open an **Ultimate** Money Account

What you get

- 2.65% Annual Percentage Yield[1] (APY or Rate)
- [illegible] up to $100,000
- Waived monthly maintenance and per-check fees if opened online with EZ Checking[2]

Rewards

- [illegible] - This product counts as one of the three products or services required to help you earn ThankYou Points.[3]

Additional perks

- No minimum balance required
- Free online statements

How it works

The Ultimate Money Account is **only available online or by phone** — you can't apply for it in a Financial Center.

To apply for an Ultimate Money Account, you must have or open an EZ Checking account or another eligible checking account.[4]

To receive the 2.65% Rate, all you need to do is **make at least two online bill payments each calendar month** from your linked checking account in a qualifying relationship package.[1]

Apply online in 10 minutes or less!

Need help deciding?

- Call 1-877-624-9600

Did you know...

- The easiest way to make deposits is to use Citibank's free Inter-institution Transfers service to move money into your Ultimate Money Account from a non-Citi account.
- The Ultimate Money Account can help you avoid bouncing checks if you sign up for Safety Check[SM] overdraft protection.
- Your Ultimate Money Account balance may be linked to contribute to minimum balance requirements of other Citibank accounts.

Other ways to apply

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OPP001551

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CITI 0010726

OPP001552

Ultimate Savings Account

The name says it all.

The Ultimate Savings Account lets you earn a 2.25% Annual Percentage Yield – no checking account or minimum balance required.

The Citibank ultimate savings account

2.25% APY[1]

FDIC Insured
No minimum balance
No checking required

» Open an Ultimate Savings Account

What you get

- 2.25% APY[1]
- FDIC insured up to $100,000

Additional perks

- No checking account required
- No minimum balance
- No monthly maintenance fee[2]

How it works

The Ultimate Savings Account is **only available online or by phone** - you can't apply for it in a Financial Center.

Apply online in **10 minutes or less.**

Need help deciding?

- Call 1-877-695-9400.

Did you know...

- You can transfer money from your accounts at other financial firms into your Ultimate Savings Account using **Citibank's free** Inter-Institution Transfers.
- If you have a checking account, the Ultimate Savings Account can provide overdraft protection if you apply for Safety Check[SM].

» Open an Ultimate Savings Account

Other ways to apply

... Fees ...

... Client Agreement

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OPP001554

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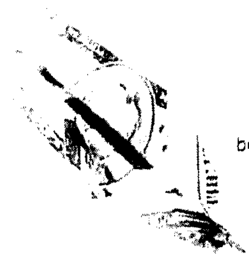
IRAs & IRA Rollovers

Live today. Plan for tomorrow.

Whether retirement is far off or around the corner, Citi can help meet your needs with IRAs. You can choose a no-fee IRA from Citibank with FDIC insured choices,[1] or you can choose a Smith Barney IRA[2] with a wide array of investment products and services to select from.

» Sign on to contribute to an existing IRA



Citibank IRAs

Citibank offers a variety of FDIC-insured IRA options

- Certificates of Deposits
- Money market accounts

» Get Details

Smith Barney IRAs

Want information about Smith Barney IRAs?

- Visit your local Citibank Financial Center.
- Information is also available at smithbarney.com

Investments:
- Not FDIC Insured
- No Bank Guarantee
- May Lose Value

CITI 0010729

OPP001555

Certificates of Deposit (CD)

Who said there are no guarantees in life?

Some things in life are a sure thing. Like a Citibank CD, which offers a guaranteed—and highly competitive—interest rate. You also get a wide range of terms, from 3 months to 5 years

Apply Now

What you get

- Competitive rates

Term	Annual Percentage Yield1	Interest rate
3-month	2.20%	2.18%
6-month	2.00%	1.98%
9-month	**3.25%**	**3.20%**
1-year	2.00%	1.98%
2-year	3.25%	3.20%
3-year	3.50%	3.44%
4-year	3.80%	3.73%
5-year	4.00%	3.92%

- up to $100,000
- A Citibank® Banking Card so you can access your account information online, by phone and at ATMs.

Rewards

- This product counts as one of the three qualifying products or services required to help you earn ThankYou Points.[2]

How it works

- A minimum opening deposit of $500 is required for CDs opened online.
- Interest is paid monthly or at maturity for all CDs with terms of one year or less.
- Interest is paid monthly for all CDs with terms greater than one year.
- CDs renew automatically at maturity for the same term at the rate in effect at the time. If you don't want to renew, you have a grace period to let us know online, by phone or in writing.

Apply now

Need help deciding?

- Call us at 1-800-374-9500.

Did you know...

- You can set up alerts that notify you via as your CD nears maturity.

Other ways to apply

Call 1-800-374-9500

Text Telephone (TTY) 1-800-788-0002

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Getting started in a new country can have its challenges. We can help make your transition easier by starting the process of setting up your accounts before you leave, giving you less to take care of when you arrive.

Which country you're currently in Go

Explore Centers.

Your gateway to Asia.

can help you successfully manage your finances during your international assignment with a full range of financial services and worldwide reach including:

- Convenient funds transfers worldwide
- Easy access to your money through destination-country bank accounts
- Access to destination-country credit cards and loans, backed by your home country credit history
- An extensive range of financial solutions to meet your needs

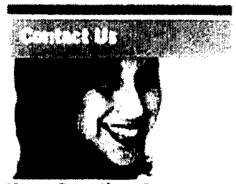
When your success depends on the global mobility of your most valuable assets, make the move with Citibank to make everyone's transition smoother and smarter.

Access your Citibank account here.

United States

United Kingdom

United Kingdom Jersey Offshore



Have Questions? to reach us.

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Deposit liabilities of Citigroup Inc. subsidiaries or affiliates are payable solely at and by the respective subsidiary or affiliate concerned, and are subject to local-country laws and requirements (including any governmental actions, orders, decrees and regulations) and to the exclusive jurisdiction of the countries where those subsidiaries or affiliates are located.

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Not all of our accounts, products and services as well as pricing are available in all jurisdictions or to all customers. Also your country of citizenship, domicile or residence may have laws, rules and regulations that govern or affect your application for and use of our accounts, products and services, including laws, rules and regulations regarding taxes, exchange or capital control.

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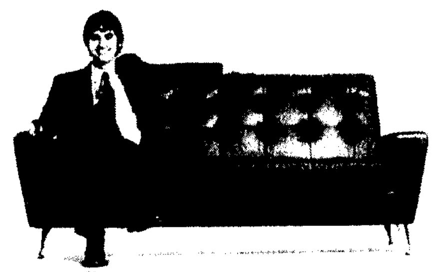
Citibank Home Equity Line of Credit

Got big plans?

Your dream project starts with a home equity line of credit. With loans ranging from $10,000 to $1,000,000 and a great rate, you can do a lot more than just renovate your home.



» Apply for a Home Equity Line of Credit

What you get

Low rates

- Variable rate as low as Prime minus 0.26% (currently 4.74% variable APR)[1].

Flexible financing

- Loans range from $10,000 to $1,000,000.
- Withdraw funds as you need them.

Rewards

- every month if you have a home equity line and at least two other qualifying products or services[2].

How It Works

To qualify for the lowest rate, you must:

- Use Citibank Auto Deduct (an automated monthly debit from a Citibank deposit account) for repayment
- Meet minimum line amount requirements
- Utilize at least $25,000 of the line at account opening
- Meet certain conditions, credit qualifications, and documentation requirements.

No application fees, points or closing costs.[3]

The interest you pay is potentially 100% tax deductible.[4]

You have the flexibility to take advantage of present rates, and the security of opting for a fixed rate and fixed monthly payments on available balances.[5]

Costs

- $50 annual fee (not applicable if property is located in Texas)

Need help deciding?

- Use to estimate the amount you may qualify for.
- **Call 1-877-362-9100.**

Did you know...

- If you prefer a fixed rate and fixed monthly payments, consider a .
- If you don't have enough equity for a home equity line, consider a Personal Loan.
- Home Equity lines and loans may contribute toward the combined average balance required to avoid banking fees.

Other ways to apply

Call 1-877-362-9100

CITI 0010734

OPP001560