

citibank

花旗银行

THE MARKET

Citibank has a long history in China, dating back to May 1902, when it became the first international bank to establish operations in the country. Today, as a part of Citigroup, it is the premier foreign bank operating in China, offering the broadest product range of any foreign bank.

Citigroup is the world's leading global financial services company, with 200 million customer accounts in more than 100 countries. It 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 Annuity.

Citibank remains committed to bringing the best banking services available to its customers in China. With its strong dedication to the Chinese market, Citibank is an important player in the Chinese banking industry and will continue to expand its presence here in a manner that generates tangible and significant benefits for Chinese consumers, Chinese companies, and indeed the Chinese banking sector itself.

ACHIEVEMENTS

With more than a century of experience in China, Citibank has witnessed significant change, as the country has transformed itself into a global economic powerhouse. Much has been achieved in this time, and Citibank is very proud that China has played such a prominent role in its past development and growth.

In 1994, Citibank became the first foreign bank to be granted a license to provide 24-hour RMB withdrawal and balance enquiry services. In June 1999 the bank successfully introduced its customer service concept - CitiService - to China. This helped Citibank to become the first foreign bank to be awarded ISO:9002 certification for its customer service center in 2001. In March 2002, Citibank was the first international bank in China granted foreign currency business licenses to serve Chinese customers. It was subsequently recognized as the number one provider of local and regional cash management services in China by Asiamoney in its 2002 Cash Management Poll, and in 2003 was named "The Best Foreign Bank in China" by Asset Magazine. In August 2004, Citigroup was awarded by Euromoney China "the most preferred international bank in China" and "the most preferred bank for cash management in China". It also won the country award by

Global Finance in July 2004 as the "Best Corporate/Institutional Internet Bank" and in December 2004 was named by IFR Asia "Best China Loan House".

In the end of 2004, ACNielsen's research finding has shown that Citibank has become the most well-known bank in Shanghai, with a 32% recognition level in 2002, 45% level in December 2003 and 96% level in 2004. This rapid growth in recognition is indicative of Citibank's strong progress in China.



Today Citibank operates consumer banking outlets Beijing, Shanghai, Tianjin, Guangzhou and Shenzhen, and two representative offices in Xiamen and Chengdu. Its first wealth management center was established in Xintiandi in Shanghai June 2004. In March and December of 2004, it established personal banking services in Beijing and Tianjin, respectively. On May 12, 2005, Citibank officially launched two consumer banking outlets on the same day in the southern cities of Guangzhou and Shenzhen. In July 2005, Citibank China's regional head office will move into the newly built Citigroup Tower in the Lujiazui financial district. Citigroup Tower is a world-class, hi-tech office building that reflects Citigroup's desire to be a leading financial institution in China. The new location will also serve as a training centre for Citigroup in Asia Pacific.

At the same time as Citibank has been going from strength to strength in China, its parent Citigroup has also recorded strong growth. In the year to September 2004, Citigroup globally reported profit of US\$15.9 billion, up 22% from the previous year, on revenue of US\$83.4 billion.

HISTORY

With the opening of its Shanghai branch in 1902, Citibank opened its doors to China, expanding to seven branches by 1928. It was the first American bank in China to fly the red-white-and-blue

American flag and so became known as "Hua Chi Yin Hang" which translates literally as the "Flower Flag Bank." Today, Citibank has proudly kept the name "Hua Chi Yin Hang" as the Chinese name for the bank in China.

Citibank re-entered China with representative offices in Beijing and Shanghai in 1984 and 1985. It established its China headquarters in Shanghai in 1993, the first Mainland China headquarters for any foreign bank, and is currently awaiting completion of its new China headquarters building in Pudong, Shanghai. Citigroup Tower will be completed in 2005, marking a new step in Citibank's long commitment to China.

THE PRODUCT

Citibank's business in China includes international and foreign currency transactions, comprehensive account services via different channels, foreign currency investment products. Within these areas, Citibank provides a wide range of financial products and services for multinational companies, joint ventures, local enterprises and individuals in China. It has constantly been at the forefront of the local industry's development.

In June 2003, Citibank became the first foreign bank in China to launch a personal investment product, Premium Account, a foreign currency time deposit and investment product.



Compared with typical time deposit products, this foreign currency management service gives customers the opportunity to gain higher returns through choices in setting base and alternative currencies.

Citibank introduces new financial products on a regular basis, such as its Market Linked Account which gives investors the opportunity to receive returns higher than received using normal time deposits by using 100% of the after-tax accrued interest on the principal invested to purchase financial market derivative instruments or options.

In China, more and more parents are realizing the importance of preparing early for the education of their children. The Citibank Junior Account allows children to have their own independent accounts from the moment they are born, which accompany them as they grow older.

In June 1999, Citibank became the first foreign bank to work with local banks to offer wealth management services via their vast domestic networks. In July 1999, it was the first foreign bank to join the local ATM system, enabling its overseas Citicard holders to withdraw RMB cash in Shanghai from over 1,500 local ATMs.

Citibank's Shanghai and Shenzhen branches obtained RMB business licenses in April 1997 and June 1999 respectively – the first American bank to do so. Multi-currency services in the US dollar, sterling, Hong Kong dollar, yen, euro, Australian dollar, Canadian dollar, Singapore dollar and other fully convertible currencies are hallmarks of Citibank's services.

Another of Citibank's unique features is its Internet banking services. Citibank customers everywhere today use the Internet as a key means of managing their personal wealth. User-friendly systems design, a highly secure network, and efficient and innovative methods of account management, all put Citibank at the forefront of Internet banking technology. Citibank Wealth Management accounts are also accessible online.

In the context of conventional products, Citibank's safety deposit box remains one of its most popular services. In the Shanghai region, Citibank employs the technology of Underwriter Lab, with automatic police calls, anti-shake protection and infrared technology.

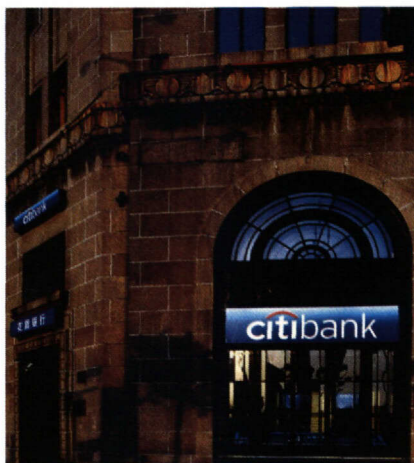
RECENT DEVELOPMENTS

Citigroup recognizes the significant value that can be generated through partnering with Chinese banks, and on January 2, 2003, acquired a stake in Shanghai Pudong Development Bank ("SPDB"). On February 4, 2004, China's first dual-currency credit card with the support of a foreign bank was launched in Shanghai. In November, the credit card was launched in Guangzhou and in December in Shenzhen, and the card will continue to be rolled out to other cities over time. The SPDB Credit Card can be used to purchase goods and services at more than 300,000 merchant outlets across China and more than 20 million merchant outlets around the world. In addition, credit card holders can participate in Citibank World Privileges, the world's largest cards privilege program, with 15,000 VIP discounts and benefits. For Citibank, credit cards are a core product, central to our success and leadership in global consumer banking and at the heart of services we provide to individuals. We believe that with the combination of Citibank, the world's leading issuer of credit cards, and SPDB, a highly successful Chinese bank with national distribution, we have the combined knowledge

to responsibly develop the credit card market in China.

PROMOTION

Citibank marked its 100th anniversary in China in 2002 with an extended celebration that included visits from Citigroup's Chairman and CEO, Sanford Weill, and the New York



Philharmonic. That year also marked the introduction of the bank's new logo, featuring a lighter, more modern lower-case font and a red arc to dot the two "i"s, taken from Citigroup's trademark red umbrella and symbolizing the financial strength and reach that comes from being a member of Citigroup.

Citibank today runs continuous customer referral programs and has a community-focused direct sales team. Cross promotion with other prominent brands has also become a source of new VIP customers. Direct mail and high value premiums have proven to be strong mechanisms to promote

customer benefits and customer loyalty to both brands.

BRAND VALUES

A recent report by brand consultants InterBrand has found Citibank to be the top banking brand in the financial services sector both in Asia and indeed around the world. Citibank has the highest brand equity in the industry, and its brand values have been built on the back of its international stature and reliable service, its global reach and its leadership in service. It is a pre-eminent global financial services company, with about 200 million customer accounts in more than 100 countries. It constantly introduces innovative financial products aimed at meeting the needs of local markets, and puts the latest global financial information at the fingertips of customers. Citibank World Privileges pampers customers with a world of preferential treatment, discounts and benefits. Citibank's customer-oriented service boasts a highly professional team to take care of all wealth management needs. Customers can gain access to service through a multitude of channels, including Internet, phone or SMS.

With the world's largest and most financially stable bank, customers can rest assured that they will receive safe and reliable service.

THINGS YOU DIDN'T KNOW ABOUT CITIBANK

- Citibank's parent company, Citigroup, serves some 20 million consumer accounts in the Asia-Pacific region with over 20,000 employees across 18 countries and territories: Australia, Bangladesh, Brunei, China, Guam, Hong Kong, India, Indonesia, Korea, Malaysia, Macau, New Zealand, Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam
- Citibank is the region's leading retail bank with a history of innovation and customer service. It was the first to popularize credit cards and ATMs and the first to launch 24 x 7 telephone banking. Today, it is the largest pan-Asian issuer of credit cards and is the leading distributor of mutual funds
- Citibank's Chinese name, *Hua Qi*, translates literally as "Flowered Flag", chosen because of the practice by Chinese early last century of referring to the US as "the nation with the flowered flag"
- The well-known compass rose logo has served Citibank well over the past 30 years, but the banking industry has seen major changes, and to mark the start of a second 100 years in China, a new brand look was unveiled. In the new logo, the blue wave of the signature "Citibank" remains, but the compass rose has been replaced with a red arc to reflect the broader product range that Citibank now offers individuals and companies as a Citigroup brand
- Citibank has made extensive contributions in China in the areas of general education, financial education, micro-credit and sustainable development, through exchange programmes, staff volunteer programmes and philanthropic donations. This has led to long-term working relationships with many universities, institutions and non-governmental organizations
- Citibank has been a supporter of higher education in China since 1993 through the Citibank Scholarships and Awards scheme, helping Chinese universities develop the next generation of financial management talent. In early 2005 it was announced that the Citigroup Foundation is giving a grant of US\$630,000 over the next three years to support several new Financial IT education programs in China. About 100,000 students from 20 major universities in China could benefit from these initiatives that are designed to increase local financial IT talent and support the development of China's finance sector
- To date, Citigroup has provided US\$ 2.8 million to support the development of microfinance sector in China, including a US\$ 1.3 million fund to Grameen Trust through partnerships with the Funding the Poor Cooperative of the Chinese Academy of Social Sciences and other NGO organizations in China; and a US\$1.5 million initiative to establish a China Microfinance Promotion Network and a Microfinance Training Center