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Thank you for this opportunity to address such a distinguished group. I have read a number of the press clippings of previous speakers including Matthew Barrett from the Bank of Montreal, Paul Tellier from the Canadian National Railway, and Paul Godfrey of Sun Media Corporation. While Citigroup is not in the same sense a Canadian institution, we like to think of ourselves as local. We are active with corporate and consumer customers in Canada through Citibank -- our CCO is Michael Roberts -- and Salomon Smith Barney chaired by Stanley Hartt -- a former president of the Canadian Club of Toronto. We also serve Canadian customers operating through our global network. In our view, "foreign" means that you don't belong. We believe that we do belong -- here in Canada where we have been for over 30 years -- as well as in the 100 countries in which we operate. And that is why I would like to share with you some views on the financial services sector and our merger.

Before I begin, I would like to thank Mary Anne Chambers, your President and Ravi Seethapathy - President of the Indo-Canada Chamber of Commerce - for inviting me to speak with you. In particular, Ravi represents the IIT Alumni where I gained my first degree and I welcome the opportunity to see many of you here today.

As I was preparing to be here today, I found myself thinking back to a year ago. A year ago, we hadn't announced Citigroup. I was the CFO of Citibank. We were busy working to ensure that we met our earnings growth and our ROE targets, increased our market share in Emerging Markets, continued working on our growing credit card business and kept analysts and shareholders happy. Days seemed full and work was never lacking in challenges. But now, as I look back, it all seems so distant. Life for us at Citigroup, within our individual companies and as a group, has been transformed -- a mammoth transformation that I'd like share with you.

What brought about Citigroup were some of the very factors behind the changes that occurred in Canada in the late 80's between banks and securities dealers. In fact, Canada preceded the U.S. by adopting regulatory change in the financial sector more than a decade ago whereas it is still being debated in the U.S. And while the merger with the insurance industry in Canada has not been as rapid due to restrictions on cross-selling, banks are likely to see some future competition and eventually even consolidation with the insurance industry.

The key behind the formation of Citigroup was the need to remain competitive in a rapidly changing market. And while I understand the reasons behind disallowing the recently proposed mergers in the Canadian financial system, the competitive factors and changing marketplace require nimbleness and resilience. Fortunately, John Reed and Sandy Weill had a vision about that need and moved to deal with it. In hindsight, it was a brave move. Today, it remains a brave thing to have done.

The jury is still out, but the results are beginning to come in. In any case, the reasons for the merger remain as cogent as ever. In fact, as those of us responsible for making the merger work integrate our businesses, the reason for the merger becomes even more compelling than it seemed at the time it was proposed.

What we saw was a financial services world transforming in such a way that in order for a company to excel, it had to be big with unparalleled distribution and broad-ranging products. The merger of Citigroup brought us a strong capital position -- \$44B in equity. This is twice as large as AIG, UBS, Chase, and HSBC and nearly as large as Bank of America (following their merger). It gives us a market value of \$133B as of February. This size created for us the most promising financial enterprise in the world -- one that none of the companies within Citigroup could have achieved on its own.

The value proposition of this merger was to build the global financial services firm of the future -- one with strong brands, tailored products, in quality service, cross-selling across life stages (that is when a person moves from being a student through old age) and innovative distribution. It is clear that the proposition for the consumer with the cross-sell between insurance and banking products was compelling. And while my job is to work on the corporate integration, we are all firmly aware of the magic of the consumer proposition in this merger. If you think of organizations as living organisms, this transformation has moved us forward 20 years down the evolutionary path.

With the merger, our distribution base has expanded to include the Internet, direct marketing, independent agents, branch sales, and financial advisory services. Together this makes a phenomenal distribution network for a substantially increased set of products.

Let me say a word here on the Internet... As a businessman and not a technical engineer -- my perceptions are based on a simple concept, the all-encompassing breadth and pace of change.

The Internet is about change.

The first phenomenon we see is that the players are changing. Today, the stock market values AOL in excess of \$100 billion -- tens of billions more than Time-Warner or Disney. Who would have believed that the market cap of a company yet to show a penny in profit -- Amazon.com -- would be so big? Major companies used to think that they could sit on the sidelines, play a cyber waiting game and then buy their way in. This is no longer the case.

Strategies will change. Content will also change. At Citigroup, we have several products and product sets that will be introduced in the market in the next few months. Each one breaks new ground in providing e-banking and e-commerce solutions. We are not the only one going this way.

E-banking access methodologies are changing. It's not going to be the millions with PCS who are the forefront of e-business, but the billions with cell phones, set-top boxes, and Palm pilots. The plethora of technologies needed to support such access need to be understood and installed.

The rules will change. Two years ago, you could almost say there were no rules in the e-commerce space. We made them up as we went along. But we should expect this will not represent the future.

In the financial services sector, the hallmark of the Internet revolution is the sheer number of choices the customer has. Due diligence becomes individual responsibility. Each person will select his or her financial partners using a browser and a search engine. Based on that premise, the e-commerce revolution will be driven by customers, not by institutions. This is key to remember as we move forward.

We clearly will play the game both on the retail and the wholesale arena. However, I do believe that what we will be ultimately paid for is old-fashioned reliability, quality advice and global delivery.

Moving back to the merger, I want to talk about what the merger brought to the Corporate side of the equation. First, it brought unparalleled access to the Emerging Markets for Salomon Smith Barney from Citibank. It brought Citibank, which had focussed largely on 1700 global customers, access to the US middle market from SSB's existing customer relationships. In the product area, it brought Citibank the strong capabilities of SSB in investment banking products – fixed income, equity and M&A. Conversely, Citibank can sell cash management and security services to the Salomon Smith Barney customer set along with derivatives, foreign exchange, structured products and project finance.

The merger has enabled us to significantly broaden and diversify our earnings base and the potential for significant improvement in net income and Earning Per Share growth during the next few years. Obviously the goal is to improve shareholder value.

The reasons behind the merger were important then and still remain so. Six months have passed and we all have been working hard to put the parts of Citigroup to work together to achieve the success the merger promised.

As you can imagine, it hasn't been easy. But I can say that we are making good progress and we will succeed. Given the newness of this experience, I thought I would share with you how we have moved ahead and some of the key lessons learned along the way.

One of my colleagues put up a slide at a recent conference that had three quotes. The first one said "I understand it, but is it worth the effort?". The second one said, "I see it, but what an effort." The third one concluded, "I feel it; let's make the effort!".

Many of us have had these thoughts during the merger process. Once the euphoria wore off and people began to see how the teams could be combined to bring about the cross-sell success we had envisaged, difficult issues began to emerge. And as you can imagine, they largely dealt with who was going to "win" and who was going to "lose" in terms of jobs, relationships with the customers, and the future. In spite of these issues, we moved ahead to bring about results from the synergies.

Once the merger was finalized, we formed our Management Group and set up an Operating Committee of 20 senior managers. This included representatives from our 3 customer groups – SSB Investment Banking customers, Global Corporate Customers and our Emerging Markets customer base as well as the five product sets we were now offering: Fixed Income, Equities, FX/Structured Products, Cash/Trade and Security Services.

We took the decision from an operating perspective to integrate SSB and Citibank Corporate Bank into one Global Corporate and Investment Bank. This was a critical decision for us which we took because we believed it gave us the best chance for implementing a coordinated approach to product and customer capabilities. Without this single organization concept, we did not believe the merger would be as successful. We are reporting our financials as one company and both myself, and Mike Carpenter, are jointly responsible for the whole of the Corporate and Investment Bank. At the same time, we plan to continue to use our two brands – Citibank and Salomon Smith Barney -- because of their strong recognition with specific customers in specific markets.

In addition to the Operating Committee, we established a joint capital markets risk committee and we are in the process of setting up one risk organization in the next week. We promised the US Federal Reserve -- and we will deliver --one set of risk policies and procedures for the Global Corporate and Investment Bank. Clearly the need for strong risk management is accentuated by the volatility in Emerging Markets, but we have systems, controls and processes in place that should assist us in continued high quality monitoring and early warning.

We also formed a Customer Committee comprised of our three Vice Chairman and our Co-CEO's who are specifically assigned to customer accounts around the world, supported by investment bankers. This is particularly important as we move to increase our investment banking share of mind of our global customers.

In the product area, we consolidated fixed income, as well as foreign exchange, derivatives and Emerging Markets sales and trading. We are moving our people together in all locations around the world; the most famous of which are the new buildings we are constructing at Canary Wharf in London. We have integrated our trading platforms. We have consolidated our Operations and Technology team globally under one head. We have one General Counsel.

We meet regularly as a management team – bi-weekly in fact. We meet with our Co-CEO's for a full day of reviews once a month. We have presented our businesses time and again to the new board, new board committees, to our analysts, regulators and customers.

We have developed customer models that reflect regional approaches. We have done a number of fascinating transactions that would not have happened before the merger. Since the merger we have closed a number of joint deals bringing an additional revenues for the Corporate and Investment bank. And we have many more in the pipeline.

For our customers, we believe that this merger clearly has the most value. Long-time global customers of Citibank and SSB have told us that they can see the benefit to them from our expanded joint capabilities. We are now able to offer a much more extended service to our customers, with a more comprehensive set of unbiased financial solutions. Clients are beginning to feel this power and we believe as we move forward this will only be enhanced.

We are streamlining the management processes between SSB and Citibank to be less bureaucratic, while maintaining the discipline and ability to execute globally. In this context, we are working to develop our own internal culture. Cultural differences do exist. Some of these are real; some are not. But as long as people feel them, we must deal with them. Compensation differences are obviously important to our people, but we are working on this issue. There are also differences in communication patterns, frequency and type of reporting of results, and sharing of customer information. We are working on a joint database to assist in bringing customer information together.

As time went on, we were able to get past the "it really didn't happen" stage and began to be more forward-looking. Some people were slower than others to participate effectively. Some decided not to participate. And some were told not to participate. In the end, we have a team which has chosen to stay and which recognizes the need to work together to make this merger a success. Their compensation at the end of the year will be influenced by their contribution to the success of the merger.

This has been a learning process for all of us. One of the key lessons is that you must make decisions quickly and decisively. You cannot please everyone and you take into account all the various viewpoints before you act. Decisions will undoubtedly produce winners and losers, but delaying the decisions will diminish the chance of a successful outcome. We generally found that once decisions were taken, people got on with the plan and rapidly moved the ball forward.

Communication of changes and progress is also critical. In an organization as large as ours and with such a global expanse, we must try even harder to get the messages out. And the messages must be believable.

We had to move quickly to remove redundancies where they were obvious and work hard to produce synergies for the future. We also have been working on reinforcing the need for returns and efficient use of capital.

In an article by Mark Sirower from the Wharton School in the Wall Street Journal in February, he discussed what it takes to make a successful acquisition. He said "perhaps the most important challenge is to determine what is the new mission of the combined organization and how to organize to accomplish the new mission".

I fully support this view and we are working on firming up the strategy for the Global Corporate and Investment Bank. We are looking at each region, each global product set, each customer base including our current position and those of our competitors and where we can move in the future to grow our business and improve our position in the league tables.

Part of our strategy will be to continue to expand our presence with customers globally. Citibank has been operating in the Emerging Markets since the early 1900s. We are embedded in countries serving largely local companies with local staff who know the country well. We believe in being a part of the country, active in the community, committed to staying there, and thus contributing to its success. This formula has been very successful for us as we earn more than one-half of the combined SSB/Citibank earnings from the Emerging Markets.

With the merger, we are taking the Salomon Smith Barney investment banking capabilities and combining them with Citibank's local presence to form regional investment banking hubs in Latin America, Asia and Central and Eastern Europe. These hubs will contain all investment banking capabilities. We believe that this model can significantly increase our participation in investment banking activities as the Emerging Markets access to global capital markets increases.

We believe that our globality is what will enable us to compete in the changing financial services world. Even as the Internet makes access easier for our customers, we have the on-the-ground network to bring the distance closer. We are able to offer the capabilities and service level of our home base to millions around the world and believe that this globality will continue to be our differentiating factor as we move into the next century.

The window of opportunity in the world's financial services sector, including insurance, consumer and corporate, is over \$1.7 Trillion. In North America it is almost \$700 Billion – and in Europe another \$500 billion. In terms of size, traditional commercial banking products still dominate in the corporate side, although capital markets in the Emerging Markets and Europe are expected to continue to grow. New technologies and rapidly evolving channels of distribution, particularly through the Internet, will be a key driver in the distribution of financial services and significantly lower the barriers to entry for new players. A major share of the basic banking product market revenue comes from the middle market that will be an important force in the future. Investments and pensions will be the areas of highest growth. Non-life insurance products will also be in high demand. All of this points to the need for us to be a large player, global, with a number of products and extensive geographic coverage. It will be interesting to see how it plays out, but we believe at Citigroup, we can make a difference with our merger.