

Important advisory on Citi's Consumer Banking business in Malaysia

Dear Valued Customer,

I am writing to let you know that Citi in Malaysia has reached an agreement with UOB Group for the acquisition of Citi's Consumer Banking business in Malaysia.

This is a positive outcome for Citi, our people, and our customers.

UOB Group will acquire Citi's consumer business which includes credit cards, personal loans, retail banking, mortgages and wealth management solutions for high net-worth individuals.

We are delighted to find a strong partner in UOB Group, a leading Pan-Asian institution committed to providing great products, services and customer experiences. They have established a strong presence in Southeast Asia backed by a global network of 500 offices and have a reputation for building lasting relationships with customers.

Rest assured, there will be no immediate impact to your credit card accounts, loan accounts, deposits, investments, or any other product you may hold with us. This announcement is the start of a process that we expect will take time, with closing of the transaction subject to regulatory approvals.

Until such time, all our Consumer Banking business operations, Citibank service teams including our Relationship Managers, branches, call centers, Citibank Online and mobile banking services, will continue to serve you as usual.

Citi remains committed to serving you with excellence. Together with UOB Group, we will be sharing further updates with you in the future.

For more information on the acquisition, I invite you to visit <https://www.citibank.com.my/advisory>

Best Regards,

Elaine Fan
Consumer Business Head
Citi Malaysia



Citi Announces Agreement to Sell Consumer Bank in Indonesia, Malaysia, Thailand and Vietnam to UOB Group

Citi Continues to Execute on Global Consumer Bank Strategic Actions

SINGAPORE – Citi today announced it has reached agreement with UOB Group (UOB) on the acquisition of Citi's consumer banking franchises in Indonesia, Malaysia, Thailand and Vietnam. The transaction includes retail banking and credit card businesses but excludes the bank's institutional businesses in all four countries. Citi remains committed and focused on serving institutional clients in these countries locally, regionally and globally.

The agreement covers all related Citi staff, with approximately 5,000 consumer bank and supporting employees expected to transfer to UOB upon close of the proposed transaction. UOB will pay Citi cash consideration for the net assets of the acquired businesses, subject to customary closing adjustments, plus a premium of S\$915 million [US\$690 million].

Upon closing, Citi expects the transaction to result in the release of approximately US\$1.2 billion of allocated tangible common equity, as well as an increase to tangible common equity of over US\$200 million. As previously announced, Citi's exit from its consumer franchises in 13 markets across Asia Pacific and EMEA is expected to release approximately US\$7 billion of allocated tangible common equity over time.

Peter Babej, Citi Asia Pacific CEO, said, "We are excited to announce this transaction with UOB, a leading pan-Asian institution. We are confident that UOB, with its strong culture and broad regional ambitions, will provide excellent opportunities and a long-term home for our consumer banking colleagues in Indonesia, Malaysia, Thailand and Vietnam. Focusing our business through these actions will facilitate additional investment in our strategic focus areas, including our institutional network across Asia Pacific, driving optimal returns for Citi."

Mark Mason, Citi CFO said, "The sale of these four consumer markets, along with our previously announced transactions, demonstrate our sense of urgency to execute our strategic refresh. We are committed to working in the best interests of our shareholders by focusing our resources on businesses that can deliver growth, as well as increasing the capital we return to shareholders over time."

UOB was selected by Citi following an extensive and competitive auction process. Citi is committed to a seamless transaction, and during the transition to closing, there will be no change in service provided to our consumer banking and wealth customers. Completion of the divestitures in each country will not be conditional on the completion of the divestitures in the other countries but will be conditional on obtaining regulatory approvals relevant to each country. It is estimated that completion will take place between mid-2022 and early 2024, depending on the progress and outcome of the regulatory approval process.

Citi's Banking, Capital Markets and Advisory Group is acting as exclusive financial advisor to Citi in respect of the transaction.

Frequently Asked Questions

1. Why is Citi selling the business?

In April 2021, as part of our ongoing strategy refresh, Citi announced actions in the Global Consumer Bank that would enable more targeted investment to businesses where we have the competitive advantages and scale necessary to drive deliver high quality services to our clients and higher returns for our shareholders. As a result, Citi's Global Consumer Bank will have a focused presence in four wealth centers – Singapore, Hong Kong, London and UAE – and it is pursuing exits from its Consumer franchises in 13 markets across Asia and EMEA, including Malaysia.

This strategy refresh presents an opportunity to invest further and grow Citi's Institutional Clients Group franchise in the Malaysia which provides clients access to market leading corporate and investment banking, capital markets and advisory, treasury and trade and markets and securities services solutions.

Citi has been in the Malaysia for 63 years and it remains an important market for the business.

2. Is this a good outcome?

We are delighted to find a strong partner in UOB Group, a leading Pan-Asian institution committed to providing great products, services and customer experiences. They have established a strong presence in Southeast Asia backed by a global network of 500 offices and have a reputation for building lasting relationships with customers.

3. What changes will customers/clients experience?

There is no immediate change in the way Citi serves its clients or in the way you bank with us.

Clients can continue to use the Citibank Online and mobile banking services, for their banking products. Our banking operations in Malaysia, including your RMs, call centers, branches and wealth hubs continue to operate as they do today.

As and when there are changes for our clients, we will inform you ahead of time. We are committed to ensuring that customers continue to receive the high-quality service you are accustomed to.

For Credit Card and Personal Loan Customers

1. What will happen to my credit cards or personal loans?

There is no immediate change in the way Citi serves its clients as a result of this announcement. The credit cards and loan accounts that you hold with us remain active for usage and the benefits you enjoyed will remain unchanged.

Your credit card and loan account will eventually be migrated to UOB Group. This announcement is the start of a process and would go through the requisite regulatory approvals and necessary planning to ensure a seamless transition.

As and when we commence the product/account migration, we will inform you ahead of time.

2. What happens to limited time offers that may coincide with the completion of the sale? Will the offer still hold valid?

Yes, all ongoing offers will continue to be fulfilled if you qualify per the campaign mechanics and eligibility criteria. Should there be any changes, we will ensure sufficient notice is given to you.

3. What will happen to Citi Reward points & miles?

All your existing Citi Rewards points & miles remain valid on your credit card, as a result of the sale.

There is no immediate change to the usage or the current conversion rates. You will continue earning Citi Rewards points and miles for all eligible spend on your credit card.

If there are changes to our rewards points / miles, we will ensure sufficient notice is given to you.

4. Do I need to make any new/separate arrangement for my credit card payment or loan repayment?

This announcement is the start of a process and would go through the requisite regulatory approvals and necessary planning to ensure a seamless transition. Until the migration is completed, your existing credit card recurring payment / loan repayment arrangement would remain unchanged and uninterrupted. Should there be any changes, we will ensure sufficient notice is given to you.

5. Since Citi decided to sell to Bank UOB Group, why are you still opening new cards/loan accounts and asking for MGM referrals?

There is no immediate change in the way Citi serves its clients. We will continue to operate as usual. Your new approved credit card/loan accounts will be migrated to UOB Group as part of completion of the sales.

Retail Banking Customers

1. What will be the impact on client's Term Deposits, CA or savings accounts?

At this time, there is no impact to clients with Term Deposits, CA or deposit accounts.

Following the sale, these products will transition to UOB Group, though this process may take some time.

2. What will be the impact on client's Investment Funds and Bonds?

There is no immediate change in the way Citi serves clients holding investment funds or bonds.

We will continue to keep clients informed about their portfolio and provide updates on their investments, as we do currently. We will advise clients about the future of their products when we are able to.

3. If you are selling the business, why are you still opening new accounts/signing me up to new investments/asking for MGM referrals?

There is no immediate change in the way Citi serves its clients, or in the way you bank with us.

In the meantime, we continue to operate as usual. We believe we have a unique proposition for customers in terms of the breadth of the investment products, insights, and lifestyle privileges. Our RMs are amongst the most experienced and professional in market and we hope that more clients can continue to benefit from their service.

4. Will my current Relationship Manager continue to serve me?

There is no immediate change in the way Citi serves its clients or in the way you bank with us. As and when there are changes for our clients, we will of course let them know ahead of time.

5. I have a financial product with UOB Group, can I transfer that across to Citi? Or, if I have a financial product with Citi, can I transfer that across to UOB Group?

You can of course become a customer of UOB Group or Citi by usual processes. But until completion of the sale, UOB Group and Citi will continue to operate as two separate businesses.

6. Is my MYR250,000 PIDM insurance covered with UOB Group if I also have money with Citi?

Each bank has separate banking licenses and your deposits (PIDM eligible products) are covered up to MYR250,000 under the PIDM insurance scheme with each bank until the actual regulatory approvals and completion of the transaction is done. We will update you with due notice if and when there is a change in the status of your PIDM coverage of deposits/eligible products with Citibank Berhad.

7. I am an offshore client. Can I continue to invest post sale?

There is no immediate change in the way Citi serves its retail banking clients as a result of this announcement. As and when there are changes for our clients, we will inform them ahead of time.

8. My investment has matured. Can I continue to invest and receive the same level of service post sale?

There is no immediate change in the way Citi serves its retail banking customers as a result of this announcement. As and when there are changes for our clients, we will inform them ahead of time.

9. What happens to limited time offers that may coincide with the completion of the sale? Will the offer still hold valid?

Yes, all ongoing offers will continue to be fulfilled if you qualify per the campaign mechanics and eligibility criteria. Should there be any changes, we will ensure sufficient notice is given to you.