

## CITI'S PRIVATE LABEL CARD BUSINESS

Like all retail card issuers in the U.S., Citi Retail Services, the private label credit card business of Citi, has benefited in the post-recession period from a reduction in the amount of credit available on general purpose cards. In recent years more consumers turned to the retail cards they had rarely used, and others opened new accounts to preserve their general purpose card credit lines for other spending.

Five years after the end of the Great Recession, Citi Retail Services, which ranks second in the U.S. among retail card issuers, continues to grow strongly on its already large base. For the first nine months of 2014 purchase volume grew by 10%, net receivables were up 17%, and net revenues grew 7%.

Citi Retail Services focuses on helping customers, such as Macy's and Home Depot, grow their total sales while expanding the share of all payments made using private label and Visa, MasterCard, and American Express co-branded cards it issues for them. In addition to growing with partners, Citi has made acquisitions such as Best Buy and Ford Motor, and opened programs with new clients including Volkswagen and Case New Holland.

Citi Retail Services' investments include data analytics capabilities that generate top line revenue for its retailer partners across all sales channels. Those analytics are helped by access to general purpose card data available from its parent company. While other retail card issuers also offer co-branded general purpose cards with their partners, Citi Retail Services benefits from its parent company's scale as the 4th largest U.S. general purpose credit card issuer.

Citi Retail Services contributed 25% of the net income of all of Citi's global consumer banking businesses, which includes retail banking, commercial banking, mortgages, etc, in the first nine months of 2014. In the same period, it contributed 33% of revenue from all consumer banking businesses in the U.S. and Canada, and 33% of net income from all Citi payment card businesses worldwide.

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