

# Citi Announces Agreement to Sell Its Consumer Businesses in India to Axis Bank Limited

## Transaction Marks Eighth Announced Sale by Citi in Asia Pacific Region Since Announcing Strategy Refresh

Mumbai – Citi today announced that it has reached an agreement with Axis Bank Limited (Axis) for the sale of Citi’s consumer businesses in India. Axis was selected by Citi following an extensive and competitive auction process.

The transaction comprises the sale of the consumer banking businesses of Citibank India, which includes credit cards, retail banking, wealth management and consumer loans. The transaction also includes the sale of the consumer business of Citi’s non-banking financial company, Citicorp Finance (India) Limited, comprising the asset-backed financing business, which includes commercial vehicle and construction equipment loans, as well as the personal loans portfolio. It excludes Citi’s institutional client businesses in India; Citi remains committed and focused on serving institutional clients in India and globally.

The transaction will also include approximately 3,600 Citi employees supporting the consumer businesses in India, who will transfer to Axis upon completion of the proposed transaction. Axis will pay to Citi cash consideration of **approximately US\$1.6 billion** for the acquisition of the consumer business, subject to customary closing adjustments.

The transaction is expected to close in the first half of calendar year 2023 subject to requisite regulatory approvals. This announcement is only the start of a process, and while there will be a transition, Citi will ensure that it is done in as seamless a manner as possible, with due notice. There will be no immediate impact on the services to the customers of Citi’s consumer businesses in India.

Upon closing, Citi expects the transaction to result in the release of approximately US\$800 million of allocated tangible common equity. As was previously announced, Citi's global exit from its consumer banking franchises in 13 markets across Asia and EMEA is expected to release approximately US\$7 billion of allocated tangible common equity over time.

Peter Babej, Citi Asia Pacific CEO, said, "Our announced transaction with Axis, a leader in Indian financial services, represents an important milestone for our franchise and offers an excellent opportunity to our consumer banking colleagues in India. As we move forward with this transaction, India remains a key institutional market for Citi. In line with our broader strategic repositioning, we will continue to support our institutional clients in this core market and across APAC, delivering the full power of our global network to enable their growth."

Citi has been present in India since 1902 and is a banker of choice for large and mid-sized corporates, financial institutions and multinational companies operating in the country. It has a market leading Corporate Bank in India that is the largest in APAC. Citi serves over 2000 international corporations in India and 300+ large domestic companies and financial institutions. It helps corporations raise capital (debt and equity) and provides financing solutions, besides working with them on risk management and transaction banking. Citi is actively engaged in various government initiatives, including working with our clients to channelize foreign capital through FDI investments under the PLI (Performance Linked Incentive) scheme of the Government of India, as well as FII / FPI flows into the country.

"We are extremely pleased with this outcome for our consumer colleagues and clients. Axis is committed to building its consumer banking business in India and is backed by a strong market presence. We believe Axis will provide our employees an excellent environment to build their careers and will meet all the financial needs of our consumer clients," said Titi Cole, CEO of Legacy Franchises at Citi.

“This is a positive outcome for our staff and our priority has been on securing their future. We continue to remain committed to contributing to India’s growth and development as we deepen our presence through our institutional businesses and our community initiatives. Citi will also continue to harness India’s rich talent pool in the areas of Technology, Operations, Analytics, Finance and allied functional areas through its network of Citi Solution Centers that are located in five cities in India and support our global businesses,” said Citi India CEO Ashu Khullar.

With a physical presence in 95 countries, Citi works closely with global clients, attracting both FDI and FPI flows and showcasing India as a key global supply chain destination, while facilitating investments into the country across asset classes. Citi is a partner to its clients’ digital and ESG journeys with custom solutions, that in turn support inclusion and sustainability.

As a leading investment bank for over 15 years in India, in 2021 alone, Citi has helped raise over US\$29 billion of capital across over 40 equity and debt transactions and provided strategic M&A advisory on seven announced transactions, amounting to over US\$5 billion. Citi also handles 8% of India's trade flows and 5% of the country’s electronic payments flows. Citi supports foreign portfolio investors to get access to Indian markets – managing about a third of their activities in India as a custodian.

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