



Citibank: Performance Evaluation

Frits Seegers, President of Citibank California, was meeting with his management team to review the performance evaluation and bonus decisions for the California branch managers. James McGaran's performance evaluation was next. Frits felt uneasy about this one. McGaran was manager of the most important branch in the Los Angeles area, and his financials were impressive. A year ago he would have received "above par" rating with full bonus. But last year, the California Division of Citibank had introduced a new performance scorecard to highlight the importance of a diverse set of measures in achieving the strategic goals of the division. Among the new measures introduced was a customer satisfaction indicator. Unfortunately, James McGaran had scored "below par" on customer satisfaction.

Frits looked at Lisa Johnson, the area manager supervising James McGaran. Frits had read Lisa's comments (**Exhibit 1**). The comments were very positive, but Lisa had not wanted to give a final recommendation until she had discussed it with Frits. She knew that James' case would be watched closely by many managers within the division.

The Financial District Branch

James McGaran was manager of the most important of the 31 branches in the Los Angeles area. Located in Los Angeles's financial district, James's branch had a staff of 15 people, revenues of \$6 million, and \$4.3 million in profit margin. The customer base was very diverse. Individual customers ranged from people who worked in the financial district with sophisticated retail banking needs to less informed individuals banking for convenience. Business customers were sophisticated buyers who demanded high service quality and knowledgeable employees who could satisfy their financial needs. "Mom and pop" businesses, the dominant segment in other regions, were also present but to a much lesser extent. Competition was intense. Two competitors—Bank of America and Wells Fargo—had offices less than a block away from James's branch.

James joined Citibank in 1985 as assistant branch manager. He had worked in the banking industry since 1977. Within a year, in 1986, he was promoted to manager of a small branch. He progressed quickly through the ranks until 1992 when he was given the responsibility of managing the Financial District office. His performance in this office had exceeded expectations every single year. He had delivered impressive financial results for four years in a row. In 1996, when the division expanded its performance indicators to include non-financial measures, it became apparent that his branch's customer satisfaction ratings did not follow the same pattern as its financial performance.

Doctoral Candidate Antonio Dávila and Professor Robert Simons prepared this case as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

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James reported to Lisa Johnson, Los Angeles area manager. Lisa was a long time employee of Citibank. She joined the company in 1978 in Chicago and moved to California in early 1988. Her area was the biggest in the division and included two regions that had previously been managed separately. Lisa was a hands-on manager who spent a lot of time in the branches supporting the managers and becoming familiar with the events in each branch.

New Performance Scorecard

Citibank was a niche player in the California market. It had eighty branches compared with four hundred offices of its biggest competitor. Citibank's strategy in California was to build a profitable franchise by providing relationship banking combined with a high level of service to its customers. Service was delivered face to face (in the branch) or remotely, depending on the wishes of the customers. Customers' service expectations rose in line with their net worth, as did their profitability for the bank. These customers demanded high levels of service with careful personal attention and a broad selection of financial products. Citibank provided a broad array of services including a dense network of ATM machines, 24 hour banking, and home banking.

Financial measures had dominated Citibank's performance evaluation in the past. But top managers in the division felt that these measures were poor vehicles to communicate the high service strategy of the bank. Frits Seegers wanted people in the division to have a broader view of the business and focus their attention on those dimensions that were critical to the long term success of the franchise.

To reflect the importance of non-financial measures as leading indicators of strategy implementation, the California Division developed a Performance Scorecard. It complemented existing financial measures with new measures reflecting important competitive dimensions in the bank's strategy. The initial version was pre-tested in 1995 and, starting in the first quarter of 1996, Performance Scorecard goals and performance data became a central management tool to implement strategy and evaluate performance.

The Performance Scorecard was built around six different types of measures: financial, strategy implementation, customer satisfaction, control, people, and standards (see Exhibits 2 to 5).

Financial measures were obtained from the regular accounting system and focused primarily on total revenue and profit margin against targets.

Strategy implementation measures tracked revenue for different types of target customer segments relevant to the strategy of the branch. James's Performance Scorecard focused primarily on revenues from retail customers—households, businesses, and professionals.

Customer satisfaction was measured through telephone interviews with approximately twenty-five branch customers who had visited the branch during the past month. Customer satisfaction scores were derived from questions that focused on branch service as well as other Citibank services like 24 hours phone banking and ATM services. An independent research firm was responsible for administering the survey under the guidance of the division's Relationship Satisfaction department. Given the current strategy of the bank, which focused on customer service as a key differentiator, Frits Seegers considered the customer satisfaction measure as critical to the long term success of his division. He saw it as a leading indicator of future financial performance. If customer satisfaction deteriorated, it was only a matter of time before it showed in the financials.

Control measures reported the evaluation by internal auditors on the branch's internal control processes. Branches had to score at least par (defined as 4 on a scale of 1 to 5) to be eligible for any bonus. If the rating was below 4, the branch's business was considered at risk and did not meet the minimum requirements for effective control.

People and Standards were non-quantifiable ratings determined subjectively by the branch manager's boss. The "people" measure focused on the proactive efforts of the manager to develop and communicate with subordinates, to encourage area training programs, and to be a role model to more junior people. Standards included an assessment of a manager's involvement in community groups, trade associations, and business ethics.

Each component of the Scorecard was scored independently into one of three rating categories: "below par", "par", or "above par". For those measures that could be measured quantitatively—financial, strategy implementation, customer satisfaction, and control—pre-defined performance thresholds determined where performance fell in this three-level scale. However, ratings related to people and standards lacked an appropriate objective indicator: in these cases performance was determined subjectively by the branch manager's superior.

In addition, the manager's boss gave a global rating for each of the six components of the Scorecard and an overall rating for the branch manager.

Performance and Incentives

The performance planning process started in October with a negotiation process between Frits Seegers and his area managers. At the end of this initial stage, Performance Scorecard targets for the upcoming year were established for the division and for each area. These targets were cascaded down the organization. Area managers negotiated with branch managers to determine their financial targets and strategy implementation goals for the year. At the end of this process, the targets for branch managers were added up to ensure that they equaled or exceeded the area's targets.

Customer satisfaction and control goals were common to all branches in the division. For customer satisfaction, the 1996 goal was to achieve a rating of at least 80.

Financial, strategy implementation, customer satisfaction, and control targets formed the quantitative basis for *ex post* performance evaluation. Each quarter, area managers received branch information with the actual numbers for each of these measures and a comparison with the quarterly objectives. This information, together with the subjective scores that the area manager gave for the People and Standards ratings, formed the basis for the quarterly and yearly evaluation of branch managers.

Year-end performance evaluation was determined jointly by a team led by Frits Seegers. The team comprised the area managers, including Lisa Johnson, and managers from human resources, quality, and finance. Frits believed that having a team jointly evaluate performance of every branch manager gave consistency to the process throughout the division. It was this team that was now meeting to decide James's performance evaluation for the year.

In addition to other motivational elements associated with the yearly evaluation, a branch manager's bonus was linked to his or her final Performance Scorecard rating. A "below par" rating did not carry any bonus. A "par" rating generated a bonus of up to 15% of the basic salary (for branch managers with a salary in the lower part of the salary bracket, the bonus could reach 20%). An "above par" rating could mean as much as 30% bonus.

Without "par" ratings in *all* the components of the Scorecard, a manager could not get an "above par" rating.

Performance of the Financial District Branch

Frits reviewed the 1996 performance evaluation forms for James McGaran. His financials were outstanding—20% above target. According to Lisa Johnson, James's branch "had generated the highest revenue and made the greatest margin contribution to the business of any branch in the system." His strategy implementation scores were in the "par" to "above par" range, although Lisa Johnson had given him an "above par" rating in three quarters. James had maintained an "above par" rating in the control scorecard and Lisa Johnson had rated him exceptionally where she had the discretion to do so.

However, customer satisfaction was "below par". A branch obtained a "par" rating if it scored 74 to 79. If customer satisfaction was above 80 or it had improved 6 points with no regression during 2 quarters and it was above the market average (77), then the branch got an "above par" rating.

Lisa and Frits were aware that a strict application of the new policies for performance evaluation meant that James could get at most a "par" evaluation for the year. But James' branch was the largest and toughest branch in the division. He had a demanding clientele and challenging competition. It was difficult to manage such a diverse set of indicators, and the customer satisfaction measure was sometimes hard to reconcile with demonstrated financial performance. James had discussed with Lisa his concerns regarding the adequacy of the survey. Customers rated not only their branch, but also other Citibank services such as ATM's that were out of the control of branch managers. Thus, it was possible that these centralized services were not providing adequate support to the sophisticated customers of James's branch.

Notwithstanding these concerns, James had worked hard to improve the customer satisfaction rating during the last quarter. He had made some changes in his staff to improve the score. One person in the branch was now dedicated to greeting the customer when arriving at the office and helping with any problems that may arise. He also held branch meetings and coached branch employees to focus their attention on improving customer satisfaction.

James gave a lot of importance to his ratings. It was a matter of pride to be "above par" and show that he was able to successfully run the hardest branch in the division. He had felt very disappointed when, in two quarters of the year, his rating had been only par. His branch was difficult and he was delivering the best financial performance in the division. He thought that his efforts deserved an above par rating, even if customer satisfaction was somewhat lagging.

Frits reviewed James's scorecards for each quarter of 1996 (Exhibit 2 to 5). His financials were exceptional, but only in the last quarter was he able to pull customer satisfaction to an acceptable level. If the performance evaluation team gave James an "above par" people could think that the division was not serious about its non-financial measures. James had been "below par" in customer satisfaction for all quarters of 1996 and, if this measure was truly important, he should not get an "above par" rating. On the other hand, he deserved the above par given his excellent performance in other dimensions. James was a reference point for a lot of other branch managers.

Frits held the summary scorecard in his hand (Exhibit 1) and turned to Lisa Johnson:

"Lisa, I've read over your comments and reviewed James's quarterly scorecards. All that now remains is ticking off the six boxes on this summary form and deciding on an overall performance rating for James ... What do you recommend?"

Exhibit 1 James McGowan's year-end performance for 1996

FINANCIAL		Below Par		Above Par		YEAR-END PERFORMANCE ASSESSMENT
Total	Above plan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	James had an exceptional year. The branch grew \$56 million or 39% in footings, ranking #1 in the marketplace. Contribution margin was \$4.2 million for the year, ranking the branch #1 in the marketplace. Expenses were \$89.5 thousand below their plan for the year. Contribution margin improved by 48% from -Q95 to -Q96.
Revenue	\$6,121,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Expense	\$1.7 million	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Margin	\$4.3 million	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	professional increased \$3.8 million.
STRUCTURAL IMPLEMENTATION						The branch enjoyed strong growth in business, professional, and retail. Chicago began to pick up in the third and fourth quarter. The branch's new household acquisition of 2.5% was impressive. Annualized return was 12% in 1996. James grew balances in all business segments; retail balances improved \$2.4 million. Chiphold increased \$13 million, and business and professional increased \$3.8 million.
CUSTOMER SATISFACTION						Full-year service scores showed mixed results, 66 IQ, 63 2Q, 54 3Q, 72 4Q. James identified areas of opportunity and put corrective measures in place that allowed him to improve service scores substantially by year end.
CONTROL						The branch received two "C" and ratings in 1996. James is a very active station manager and works closely with his SCMs to ensure operational excellence all times. Due to the sheer volume of transactions, it is a branch sustained substantial operating and fixed losses over \$77 thousand full-year. Some of these losses were from prior years, others were beyond branch control. Still, there is room for improvement in this area.
FINANCIAL PERFORMANCE						James is an excellent people manager. His Viewpoint results were amongst the best in the Area. He is a team-builder in his branch and motivates his people to go above and beyond. James had minimal turnover in 1996. James is one of the most consistent managers in the Area. His daily meetings are well planned and productive. He instills focus and discipline in his branch. James is viewed as a team player in the Area. He is quick to volunteer to help his peers or participate on special projects. James has been working on his KPI's and has nearly completed the comprehensive Credit training program.
STANDARDS						James has very high standards for himself and those in his employ. He is well respected for his strong leadership skills. He showed sincere concern for his customer service scores and did whatever was necessary to improve customer satisfaction. James and his team are very involved in the local community. James has taken an active role in developing a business network within the community. He also served as a board member on the American Heart Walk campaign. James's people are also involved in various community groups.
OVERALL EVALUATION						This has been an exceptional year for James. From a financial perspective, his branch was rated #1 in the marketplace. His willingness and ability to look outside the box to close a deal are admired and respected. He has done an excellent job refining his management skills, becoming one of the most effective leaders and coaches in the marketplace. James is dedicated to the success of the business, as evidenced by his willingness to work weekends, holidays, and during his vacation to ensure customer satisfaction, operational control, and financial growth. James is an outstanding manager. Congratulations on a job well done!

Signed by Area Manager: _____

Approved by Regional President: _____

Exhibit 2 James McGarran's Performance Scorecard for the first quarter of 1996

	Below Par	Par	Above Par	1996 RESULTS					1996 GOALS				
				1st quarter	2nd quarter	3rd quarter	4th quarter	5th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter	5th quarter
FINANCIAL													
Revenue	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	1,250,004						1,206,442	1,325,692	1,416,252	
Expense	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	621,430						617,972	614,900	414,900	
Margin	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	828,664						588,470	910,792	1,001,352	
STRATEGY IMPLEMENTATION													
Total Unsubsidized	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	3,228									
New to bank households	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	257									
Lost to bank households	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	(93)									
Cross-sell, splits, mergers households	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	4									
Retail asset balances	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	\$ 5,578									
Market share	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	1.5%									
CUSTOMER SATISFACTION													
	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	Score 66	Goal 80	The branch has shown significant and sustained improvement in customer satisfaction.							
CONTROL													
Audit	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	Score 4	Goal 4	The branch demonstrates strong operational control.							
PEOPLE													
Performance Management	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	James is a strong manager. He has articulated a disciplined sales process and reinforces it with a daily focus on how the business, branch, and individuals are doing vs. goal.									
Teamwork	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	James is currently working on his MBA degree.									
Training / Development	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	James works closely with his staff, coordinating the necessary training programs either in branch or in the classroom. His duty meeting and coaching sessions have allowed him to increase the knowledge and professionalism of his people.									
Self	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>										
Other	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>										
Employee Satisfaction	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>										
STANDARDS													
Leadership	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	James provides clear and concise direction in his branch. He acts professionally, earning the respect of his staff, colleagues, and customers. James has built a cohesive team and leads by example.									
Business Ethics / Integrity	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	James consistently upholds all bank standards and ensures appropriateness of action for himself and his staff.									
Customer Focus / Service / Focus	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	Excellent progress in customer interaction.									
Community Involvement	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	James proactively develops and implements effective programs to enhance Citibank's image as socially responsible. He and his staff are involved in a number of community groups in Los Angeles.									
Contribution to Overall Business	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	James makes significant contribution to the business. The branch is currently the highest revenue and margin producer in the market place. James and his team grew revenue by \$142.2 million or .6%.									
OVERALL EVALUATION													
	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	James takes complete ownership of his branch and leverages internal and external relationships to grow the business and solve problems. He has demonstrated his ability to consistently outperform the branch's aggressive financial goals.									

Signed by Area Manager:

James McGarran

Exhibit 3 James McGarran's Performance Scorecard for the second quarter of 1996

		1996 Actuals				1996 Goals						
		Below Par	Par	Above Par	1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter
FINANCIAL		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>								
	Revenue	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,254,876	1,486,172			1,141,612	1,213,754	1,332,865	1,423,594
	Expense	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	621,430	778,959			403,386	636,276	636,806	471,282
	Margin	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	833,446	1,107,213			738,226	577,468	896,059	952,312
STRATEGY IMPLEMENTATION		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>								
	Total Households	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	3,403	3,138						
	New to bank households	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	257	162						
	Lost to bank households	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(91)	(16)						
	Cross-sell, splits, mergers households	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	4	(7)						
	Retail asset balances	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ 5,578	\$ 5,402						
Market share	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1.9%	1.9%							
CUSTOMER SATISFACTION		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Score: 65	Goal: 80	The score is down 3 points. James and his team need to work on customer satisfaction.					
CONTROL AND COMPLIANCE		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>								
Legal / Regulatory		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Score: 5	Goal: 5	An exceptional score given the size and complexity of the branch.					
PEOPLE		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>								
Performance Management		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	James fosters a strong sense of teamwork, as evidenced by his Viewpoint results and employee satisfaction scores. James maintains very high development standards for himself and his staff.							
Teamwork		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	He is currently working on his MBA degree and should graduate in 1997. James also actively promotes cross training and self development.							
Training / Development		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>								
Self		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>								
Other		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>								
Employee Satisfaction		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>								
STANDARDS		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>								
Leadership		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	James is recognized throughout the business as one of California's finest managers. He has demonstrated strong leadership skills and a keen understanding of the business.							
Business Ethics / Integrity		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The branch under James's leadership has made a major contribution to the marketplace. The branch's margin contribution of \$1,108M, exceeds the next closest branch by 5.3%.							
Customer Interaction / Focus		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>								
Community Involvement		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>								
Contribution to Overall Business		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>								
OVERALL EVALUATION		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	James had another exceptional quarter. The branch exceeded its margin goal by 22%. Total margin contribution improved 3.6%. Total footings increased by 9.4%, and revenue increased 18.5%. Congratulations on another outstanding quarter.							

Signed by Area Manager:

Exhibit 1 James McGarran's Performance Scorecard for the third quarter of 1996

	Below Par	Above Par	1996 Actuals				
			1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter
FINANCIAL							
Revenue	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,254,876	1,486,112	1,593,690		1,423,434
Expense	<input type="checkbox"/>	<input checked="" type="checkbox"/>	717,730	795,216	778,758		477,382
Margin	<input type="checkbox"/>	<input checked="" type="checkbox"/>	833,446	1,090,936	1,215,332		946,052
STRATEGY IMPLEMENTATION							
Total Households	<input type="checkbox"/>	<input checked="" type="checkbox"/>	3,109	3,175	3,511		
New to bank households	<input type="checkbox"/>	<input checked="" type="checkbox"/>	257	162	152		
Lost to bank households	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(91)	(16)	(106)		
Cross-sell, splits, mergers households	<input type="checkbox"/>	<input checked="" type="checkbox"/>	4	(7)	13		
Retail asset balances	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ 5,578	\$ 5,402	\$ 5,437		
Market share	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1.9%	1.9%	1.9%		
CUSTOMER SATISFACTION			Score 37	Good 80	Services scores can't be used to determine in the 3rd quarter if the branch met about of one teller and desperately needs another teller to offset the daily time traffic in the branch.		
CONTROL And Legal / Regulatory			<input type="checkbox"/>	<input checked="" type="checkbox"/>	Not reviewed this quarter.		
PEOPLE			<input type="checkbox"/>	<input checked="" type="checkbox"/>	James has a very focused and disciplined sales process in his branch. His daily sales meetings have become the "model" for the Area.		
Performance Management / Teamwork	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	James is currently working on his MBA degree and participating in the Commercial program.		
Training / Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Employee satisfaction is high in the branch, as evidenced by James's positive Viewpoint results.		
Self	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
Employee Satisfaction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
STANDARDS			<input type="checkbox"/>	<input checked="" type="checkbox"/>	James is highly respected in the Area as a seasoned manager and leader.		
Leadership	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
Business Ethics / Integrity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
Customer Interaction / Friends	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	James and his team are very involved in the local community.		
Community Involvement	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	James makes a tremendous contribution to the Area and the business. He has a "can do" attitude and often finds ways to make deals happen despite system and bank office constraints.		
Contribution to Overall Business	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
OVERALL EVALUATION			<input type="checkbox"/>	<input checked="" type="checkbox"/>	James had another excellent quarter. Financials improved in all aspects. Expenses were below plan and his credit portfolio was in the green in the marketplace.		

Signed by Area Manager:

Exhibit 5 James McGarran's Performance Scorecard for the fourth quarter of 1996

		1996 RESULTS				1996 GOALS						
		Below Par	Par	Above Par	1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter
FINANCIAL		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>								
	Revenue	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1,254,876	1,486,172	1,591,690	1,656,036	1,141,612	1,213,754	1,229,972	1,380,334
	Expense	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	621,430	785,216	778,238	456,061	403,386	436,276	445,688	454,076
	Margin	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	833,446	1,090,956	1,213,232	1,199,975	738,226	777,478	984,284	1,126,458
STRATEGY IMPLEMENTATION		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>								
	Total Households	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3,109	3,115	3,511	3,503				
	New to bank households	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	257	162	152	102				
	Lost to bank households	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(91)	(16)	(10)	(28)				
	Cross-sell, splits, mergers households	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4	(7)	20	18				
	Retail asset balances	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$ 5,578	\$ 5,402	\$ 5,437	\$ 5,510				
Market share	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1.9%	1.9%	1.9%	1.9%					
CUSTOMER SATISFACTION		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Score 72	Goal 80	Congratulations to James and his team for their improvement in service results.					
CONTROL	Audit	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	James maintains strong operational control in his branch.							
	Legal / Regulatory	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Score 5	Goal 5						
PEOPLE		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	James is an exceptional performance manager. He communicates clear and concise expectations and manages his people to their best potential.							
	Performance Management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	James is a consummate team player and fosters the same behavior in his branch.							
	Teamwork	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Self and employee development are a priority to James. He is currently working on his MBA degree and is attending comprehensive Credit training program.							
	Training / Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	James encourages his staff to develop themselves. He also looks for opportunities for them to attend Area or City-Secure training programs.							
	Self	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	James enjoys a high level of employee satisfaction, as evidenced by his Viewpoint results and low employee turnover.							
	Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>								
STANDARDS	Employee Satisfaction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>								
		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	James is highly regarded as an effective leader and coach. His daily sales meetings have become the model for the other branches in the Area.							
	Leadership	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>								
	Business Ethics / Integrity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	It's been a difficult year meeting customer expectations in the branch but James and his team have done an outstanding job managing the challenge.							
	Customer Interaction / Focus	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	James is very involved in the local community and proactively looks for opportunities for himself and his staff to create an awareness with local groups and establish Citibank as a viable corporate citizen.							
Community Involvement	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>									
Contribution to Overall Business	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>									
OVERALL EVALUATION		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	James has done an excellent job. The branch was rated #1 in the marketplace. It generated the highest revenue and makes the greatest margin in the business. They have done all that while maintaining a 5 rural audits. Exceptional quarter and outstanding year!							

Signed by Area Manager: