

FOR IMMEDIATE RELEASE

**CITIGROUP SECOND QUARTER CORE INCOME RISES 21% TO \$3.0 BILLION**

**First Half Core Income up 35% to \$6.6 Billion  
Revenues up 10% to \$16.4 Billion from \$15.0 Billion**

**DILUTED EPS \$0.87, UP 23% FROM \$0.71**

New York, NY, July 19, 2000 – Citigroup Inc. (NYSE:C) today reported core income of \$3.0 billion for the second quarter ended June 30, 2000. Core income per share, diluted, was \$0.87, a 23% increase over that reported in the 1999 second quarter. For the first six months of 2000, Citigroup's core income was a record \$6.6 billion, or \$1.91 per share rising 36%, from the first half of 1999. The diversity and strength of Citigroup's businesses and continued emphasis on expense and risk management during the second quarter delivered:

- Core earnings growth of 22% in the Global Consumer Group, 24% in the Global Corporate and Investment Bank, and 11% for Global Investment Management and Private Banking;
- Return on equity of 24.8%;
- Total capital (including trust preferred securities) increased to \$56.5 billion at 6/30/00.

“Our outstanding results for the quarter demonstrate the impact of our market share gains around the world, the consistent growth of our consumer businesses, the company's discipline in managing risk and our continued investment in our future,” said Sanford I. Weill, Chairman and Chief Executive Officer. “We have invested substantially this quarter in acquisitions and partnerships that meaningfully expand our global businesses. We not only completed the acquisition of Schroders, but we made tremendous headway in the integration of that business and the resulting organization, Schroder Salomon Smith Barney, has quickly become a leading investment and corporate banking force throughout Europe. We further strengthened our presence in Central Europe with the acquisition of a majority interest in Bank Handlowy, one of Poland's leading commercial banks, and continued to build our presence in Asia through an alliance with the Fubon Group in Taiwan. We also acquired the remaining 15% of Travelers Property Casualty that we did not own.

“We continue to build our capabilities on the Internet and other new media,” continued Weill. Yesterday, we announced a wide-ranging alliance with America Online under which we will integrate our payments and money transfer capabilities into all AOL brands and broaden access to our products among millions of online consumers. We were also the first global financial services firm to launch account aggregation capabilities at our new MyCiti.com site. These are critical steps toward our goals of, over time, making available a comprehensive suite of consumer financial services accessible at any time, through any device, and strengthening our position as the payments engine of the Internet. We are also involved in a number of initiatives that make it easier for our corporate customers to do business on the Web, and are actively participating in Internet- based capital markets.”

**GLOBAL CONSUMER**

**2<sup>nd</sup> Quarter Core Income: \$1.28 Billion, up 22% from \$1.05 Billion**

Citigroup's Global Consumer Group achieved record earnings for the eighth consecutive quarter, driven by growth in global cards and continued strong sales of investment products around the world. Citigroup's global cards business, with 55 million accounts and almost \$92 billion in receivables across 46 countries, posted 31% income growth and 13% receivables growth in the second quarter. Cross marketing programs also contributed to results, with Salomon Smith Barney generating strong demand for Travelers individual annuities and mortgage referrals to the consumer and Private Bank. Credit trends across all of Citigroup's global consumer businesses were stable-to-improving in the quarter. Results for the quarter include e-Consumer, representing the portion of Internet development investment directly related to Citigroup's consumer businesses.

- **Banking/Lending** core income rose 23% to \$629 million. Higher deposit spreads and increased sales of deposit and investment products drove 10% revenue growth and 35% income growth at *Citibanking North America*. *Mortgage Banking* core income rose 27% as higher servicing revenue and both internal and acquired student loan growth offset flat mortgage originations. The *North America Cards* business generated sales volume and receivables growth of 19% and 13%, respectively, while adding 1 million new accounts. This growth, combined with a continued decline in loss rates to 3.96% in the second quarter, offset margin compression to produce a 10% increase in core income. At *CitiFinancial*, receivables growth of 23% and continued emphasis on expense discipline and credit quality led to a 50% increase in income.
- Core income from the **Insurance** businesses rose 12% to \$409 million. *Travelers Life and Annuity's* income increased 17% driven by 20% growth in individual annuity volumes, higher net investment income, and lower expenses. Income growth of 11% at *Primerica Financial Services* reflected 42% higher mutual fund sales and increased net investment income partly offset by continued spending for infrastructure, including international expansion, compliance and sales support. *Travelers Property Casualty Personal Lines* income increased 4%, as incremental earnings from the minority purchase and increased net investment income were partly offset by increased loss trends.
- **International** income increased 42%. Income in *Europe, Middle East and Africa* rose 26% in the quarter. Excluding the net currency translation impact, income would have risen 47%. Revenue growth in the region of 2% (14% excluding net currency translation) was led by volume increases in lending products, including cards, and investment product sales. Income growth of 69% in *Asia Pacific* reflected 27% revenue growth, fueled by cards (including the recent acquisition of Diners Club Japan), as well as deposits and investment product revenues, which doubled from the prior year. *Latin America* income was unchanged in the quarter, although excluding the net currency translation impact, income would have risen 9%. Improving credit loss trends and increased earnings from Credicard, the company's one third owned Brazilian credit card subsidiary were offset by the reduction in interest income related to Confia.

## GLOBAL CORPORATE AND INVESTMENT BANK

### 2<sup>nd</sup> Quarter Core Income: \$1.54 Billion, up 24% from \$1.24 Billion

Global Corporate and Investment Bank earnings for the second quarter of 2000 rose 24% from the comparable period last year, with revenue growth of 13%. The successful integration of the Citibank and Salomon Smith Barney platforms was underscored by the

business' market share gains, as Salomon Smith Barney achieved the #1 ranking in global debt and equity underwriting in the quarter, and was #1 in all international debt issuance year to date. The business made substantial progress in Europe, with the formation of Schroder Salomon Smith Barney, ranking #4 in European mergers and acquisitions and equity underwriting year to date. In addition, Nikko Salomon Smith Barney, the company's Japanese joint venture, ranked #1 in equity underwriting and #1 in mergers and acquisitions for the first half of 2000. During the quarter, the Global Corporate and Investment Bank also increased its market share in a key emerging market through Citibank's acquisition of 66% of Bank Handlowy, Poland's largest corporate bank, and strengthened its position in the U.S. leasing market through Citibank's purchase of Copelco, a leader in small ticket vendor leasing. The Global Corporate and Investment Bank also won in more than 50 categories in the recent Euromoney Awards for Excellence, including Best Bank in Asia, Best Foreign Bank in the Eurozone and Best Corporate Bond Firm.

- **Salomon Smith Barney's** core income was \$641 million for the second quarter, 5% above the second quarter of 1999. Revenues increased 13% from the second quarter of 1999, with higher commissions and investment banking revenues and a record level of revenue from the portion of asset management revenue retained in the segment. Principal transactions revenue fell 9% from the prior year period, and was down \$224 million from the first quarter of 2000, primarily as a result of less robust conditions in fixed income markets. The Private Client business continued to perform well, generating 18% growth in income, and with the value of client assets rising 21% to \$1.032 trillion, with assets under fee-based management increasing 36%. More than 1.4 million accounts, or 20% of total accounts, now use Access, Salomon Smith Barney's web site and on-line trading product. Expenses increased 19% over the 1999 quarter due to increased compensation expense and the Schroders acquisition. Income also reflected the company's 20.7% ownership in Nikko Securities.
- The **Global Corporate Bank** reported core income of \$629 million, up 45% from the 1999 second quarter. Excluding the Bank Handlowy and Copelco acquisitions, double-digit growth in Transaction Services and improved trading-related revenues combined to produce a 17% improvement in revenues. On the same basis, expenses rose 3% as investment spending in the emerging markets and higher incentive compensation were offset by lower Year 2000 expenses, the impact of previous restructuring actions, and ongoing expense initiatives. Net write-offs rose \$20 million to \$131 million, reflecting higher write-offs in North America and Latin America.
- Continued pricing improvements in the middle market segment, higher net investment income, and the purchase of the minority interest led to a 33% increase in core income for **Travelers Property Casualty Commercial Lines**. Higher net written premiums reflected stronger pricing and the impact of the Reliance Surety acquisition which closed in the second quarter.

#### **GLOBAL INVESTMENT MANAGEMENT AND PRIVATE BANKING**

##### **2<sup>nd</sup> Quarter Core Income: \$172 Million, up 11% from \$155 Million**

During the quarter, Citigroup's Global Investment Management and Private Banking Group continued to make substantial progress in expanding its distribution of its products through proprietary and third party channels globally. The Group also enhanced its position in the growing retirement services market, with the purchase of additional

interest in Siembra in Argentina in the second quarter, and by launching the CitiStreet joint venture. Revenues for the quarter increased 24%.

- **Asset Management** income rose 11% to \$93 million in the quarter. Revenues increased 34%, as the impact of increased ownership in Siembra and Garante and growth in its core business more than offset higher expenses related to continued investment in the global sales and marketing and research platform. Assets under management rose 8% over the prior year period, to \$389 billion.

Sales of the Group's long-term mutual funds and managed account products through the Salomon Smith Barney retail channel rose 13% to \$4.8 billion, representing 38% of all such products distributed through the retail channel. Primerica sold \$469 million of the Group's U.S. money and mutual funds in the quarter, equal to 46% of all Primerica's sales. The Group also sold \$3.5 billion in mutual and money funds through Citibank's global consumer channels, raising \$506 million in Europe and \$322 million in Japan. In the U.S., successful mutual fund launches included the Premier Selections funds, which added \$755 million in sales during the quarter. Institutional client assets rose 6% to \$153 billion, including \$6 billion in assets raised from Global Corporate and Investment Bank customers in the second quarter.

- Core income for the **Private Bank** rose 11% to \$79 million. Client business volumes, which include loans, deposits and client assets under fee-based management and custody accounts, rose 19% to \$149 billion. Revenue growth of 12% was driven by increased volumes in discretionary investment management as well as in banking and lending products. Expenses grew 13%, as the Private Bank continued to invest in its sales processes, adding 85 bankers and product specialists year to date.

#### **CORPORATE/OTHER, E-CITI, AND INVESTMENT ACTIVITIES**

The increased loss from **Corporate/Other** in the quarter primarily reflected higher funding costs. Net investment in **e-Citi**, the remainder of internet-related development activities not allocated to the individual businesses, rose \$6 million to \$17 million. Income from **Investment Activities** was \$234 million in the quarter, up 44% over the prior year although down substantially from the first quarter.

Citigroup (NYSE: C), the most global financial services company, provides some 100 million consumers, corporations, governments and institutions in over 100 countries with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, insurance, securities brokerage and asset management. The 1998 merger of Citicorp and Travelers Group brought together such brand names as Citibank, Travelers, Salomon Smith Barney, CitiFinancial and Primerica under Citigroup's trademark red umbrella. Additional information may be found at [www.citigroup.com](http://www.citigroup.com)

A financial summary follows. Additional financial, statistical and business-related information, as well as business and segment trends, is included in a Financial Supplement. Both the earnings release and the Financial Supplement are available on Citigroup's web site (<http://www.citigroup.com>). This document can also be obtained by calling 1-800-853-1754 within the United States or 732-935-2771 outside the United States.

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Citigroup Segment Income (In Millions of Dollars)	Second Quarter		%	Six Months		%
	2000	1999		Change	2000	
<b>Global Consumer</b>						
Citibanking North America.....	\$ 138	\$ 102	35	\$ 275	\$ 173	59
Mortgage Banking.....	66	52	27	127	111	14
North America Cards.....	308	279	10	604	557	8
CitiFinancial.....	117	78	50	229	149	54
<b>Banking/Lending</b> .....	<b>629</b>	<b>511</b>	<b>23</b>	<b>1,235</b>	<b>990</b>	<b>25</b>
Travelers Life and Annuity.....	202	173	17	389	320	22
Primerica Financial Services.....	125	113	11	244	223	9
Personal Lines.....	82	79	4	157	162	(3)
<b>Insurance</b> .....	<b>409</b>	<b>365</b>	<b>12</b>	<b>790</b>	<b>705</b>	<b>12</b>
Europe, Middle East, and Africa.....	92	73	26	194	141	38
Asia Pacific.....	183	108	69	357	210	70
Latin America.....	41	41	-	111	88	26
<b>Total International</b> .....	<b>316</b>	<b>222</b>	<b>42</b>	<b>662</b>	<b>439</b>	<b>51</b>
e-Consumer (A).....	(46)	(28)	(64)	(115)	(51)	(125)
Other Consumer.....	(28)	(23)	(22)	(56)	(39)	(44)
<b>Total Global Consumer</b> .....	<b>1,280</b>	<b>1,047</b>	<b>22</b>	<b>2,516</b>	<b>2,044</b>	<b>23</b>
<b>Global Corporate and Investment Bank</b>						
Salomon Smith Barney.....	641	610	5	1,598	1,258	27
Emerging Markets.....	370	286	29	762	601	27
Global Relationship Banking.....	259	147	76	499	334	49
<b>Total Global Corporate Bank</b> .....	<b>629</b>	<b>433</b>	<b>45</b>	<b>1,261</b>	<b>935</b>	<b>35</b>
Commercial Lines Insurance.....	267	201	33	507	390	30
<b>Total Global Corporate and Investment Bank</b> .....	<b>1,537</b>	<b>1,244</b>	<b>24</b>	<b>3,366</b>	<b>2,583</b>	<b>30</b>
<b>Global Investment Management and Private Banking</b>						
SSB Citi Asset Management Group.....	93	84	11	185	165	12
Global Private Bank.....	79	71	11	160	126	27
<b>Total Global Investment Management and Private Banking</b> .....	<b>172</b>	<b>155</b>	<b>11</b>	<b>345</b>	<b>291</b>	<b>19</b>
Corporate/Other.....	(199)	(120)	(66)	(455)	(261)	(74)
e-Citi (A).....	(17)	(11)	(55)	(31)	(16)	(94)
<b>Total Corporate/Other</b> .....	<b>(216)</b>	<b>(131)</b>	<b>(65)</b>	<b>(486)</b>	<b>(277)</b>	<b>(75)</b>
<b>Investment Activities</b> .....	<b>234</b>	<b>162</b>	<b>44</b>	<b>868</b>	<b>251</b>	<b>246</b>
<b>Core Income</b> .....	<b>3,007</b>	<b>2,477</b>	<b>21</b>	<b>6,609</b>	<b>4,892</b>	<b>35</b>
Restructuring-Related Items -- After Tax (B).....	(2)	(29)	93	(14)	45	NM
Cumulative Effect of Accounting Changes (C).....	-	-	-	-	(127)	NM
<b>Net Income</b> .....	<b>\$3,005</b>	<b>\$2,448</b>	<b>23</b>	<b>\$6,595</b>	<b>\$4,810</b>	<b>37</b>
<b>Diluted Earnings Per Share:</b>						
<b>Core Income</b> .....	<b>\$0.87</b>	<b>\$0.71</b>	<b>23</b>	<b>\$1.91</b>	<b>\$1.40</b>	<b>36</b>
<b>Net Income</b> .....	<b>0.87</b>	<b>0.70</b>	<b>24</b>	<b>1.90</b>	<b>1.38</b>	<b>38</b>
<b>Supplemental Information:</b>						
Worldwide Cards.....	\$429	\$328	31	\$813	\$663	23

(A) Previously shown as a part of e-Citi and presented in the Global Consumer segment.

(B) The restructuring-related items in 2000 included a credit for the reversal of prior charges of \$31 million, \$19 million of accelerated depreciation, and \$14 million of charges in the second quarter and \$12 million of accelerated depreciation in the first quarter. The 1999 second quarter included \$29 million of accelerated depreciation and the 1999 first quarter included a credit for reversal of prior charges of \$125 million and \$51 million of accelerated depreciation.

(C) Refers to adoption of Statement of Position "SOP" 97-3, "Accounting by Insurance and Other Enterprises for Insurance-Related Assessments" of (\$135) million; adoption of SOP 98-7, "Deposit Accounting: Accounting for Insurance and Reinsurance Contracts That Do Not Transfer Insurance Risk" of \$23 million; and the adoption of SOP 98-5, "Reporting on the Costs of Start-Up Activities" of (\$15) million.

NM Not meaningful.

<b>Supplemental GCIB Disclosure</b> <i>(In Millions of Dollars)</i>	<b>Second Quarter</b>		<b>%</b>	<b>Six Months</b>		<b>%</b>
	<b>2000</b>	1999	<b>Change</b>	<b>2000</b>	1999	<b>Change</b>
<b>Global Corporate and Investment Bank</b>						
Global Corporate Finance .....	<b>842</b>	755	12	<b>1,904</b>	1,581	20
Transaction Services .....	<b>130</b>	40	225	<b>223</b>	79	182
Private Client .....	<b>265</b>	225	18	<b>641</b>	436	47
Commercial Lines Insurance .....	<b>267</b>	201	33	<b>507</b>	390	30
Other .....	<b>33</b>	23	43	<b>91</b>	97	(6)
<b>Total Global Corporate and Investment Bank.....</b>	<b>1,537</b>	1,244	24	<b>3,366</b>	2,583	30

Five quarters of history are available on page 29 of the Quarterly Financial Data Supplement.