

FOR IMMEDIATE RELEASE

CITIGROUP THIRD QUARTER CORE INCOME RISES 27% TO \$3.1 BILLION
First Nine Months Core Income up 32% to a Record \$9.7 Billion
Revenues up 15% to \$16.8 Billion from \$14.6 Billion

DILUTED EPS \$0.67, UP 26% FROM \$0.53

New York, NY, October 17, 2000 – Citigroup Inc. (NYSE:C) today reported core income of \$3.1 billion for the third quarter ended September 30th, 2000. Core income per share, diluted, was \$0.67, a 26% increase over that reported in the 1999 third quarter. For the first nine months of 2000, Citigroup's core income was a record \$9.7 billion, or \$2.10 per share rising 33%, from the first nine months of 1999. Continued revenue momentum across the company's businesses, combined with expense and risk discipline resulted in:

- Income growth of 17% in the Global Consumer Group, 40% in the Global Corporate and Investment Bank, and 14% for Global Investment Management and Private Banking;
- Revenue growth of 15%;
- Return on equity of 24%;
- Total equity (including trust preferred securities) increasing to \$58.6 billion at 9/30/00.

"Our continued management discipline, business diversification and geographic reach enable us to deliver consistently strong results for our shareholders," said Sanford I. Weill, Chairman and Chief Executive Officer. "We are creating greater efficiencies within our company, extending our capabilities on the internet and strengthening our balance sheet. We continue to invest our substantial capital to expand our leadership in key areas, enhance our long-term growth and build our base of stable, recurring earnings. Our recently announced plan to merge with Associates First Capital Corp. will greatly expand our global consumer finance business and further solidify our place as the number one card company, both in the U.S. and globally. It will also strengthen our position in commercial finance. In addition, we are pleased that Associates' CEO Keith Hughes and CFO Roy Guthrie will be joining our management team."

GLOBAL CONSUMER

3rd Quarter Core Income: \$1.32 Billion, up 17% from \$1.13 Billion

Citigroup's Global Consumer Group once again reported record earnings, driven by improvements in the North American card business and strong performance across Asian marketplaces. The global cards business, which spans 46 countries with 56.8 million accounts, posted income of \$476 million, up 32%, and had managed receivables of \$95.6 billion. Credit across all of Citigroup's global consumer businesses continued its favorable trend in the quarter. Cross marketing programs continue to generate incremental sales across Citigroup's consumer distribution channels. Mortgage products, sold through Salomon Smith Barney financial consultants totaled \$469 million, and sales of SSB Citi Asset Management investment products through the Consumer Group businesses were \$3.5 billion in the quarter.

- **Banking/Lending** income rose 17% to \$706 million. *Citibanking North America* increased income 34% in the quarter as substantial growth in mutual fund and annuity sales, as well as higher deposit volumes, drove a 9% increase in revenues. *Mortgage Banking* results, which include the Student Loan business, rose 19% as higher loan volumes and continued mortgage credit improvements were partly offset by spread compression. Income for *North America Cards* increased 23%. Revenue growth of 4% reflected 18% receivables growth and sales volume increases of 17%, partly offset by continued spread compression. Accounts rose by 1.2 million (including the Canada Trust acquisition) and net loss rates continued to improve, falling to 3.50%. *CitiFinancial's* income fell 8%, due in part to a \$15 million (after-tax) release of a litigation reserve resulting from the settlement of a claim in the prior year quarter. Receivables growth continued its strong pace, at 19% and loss rates remained stable, at 1.91%.

- Income from the **Insurance** businesses rose 22% to \$371 million. *Travelers Life and Annuity* income rose 7% driven by strong business volume growth, and expense management. Sales momentum continued with increases of 17% for individual annuities and 22% for group annuities. Income growth of 9% at *Primerica Financial Services* reflected a 31% increase in mutual fund sales and increased net investment income partly offset by continued investment in international expansion. *Personal Lines* income increased 196% over the third quarter of 1999 when the business incurred a \$33 million (after-tax) charge for the curtailment of SECURE in addition to catastrophe losses related to Hurricane Floyd. Higher loss cost trends and lower prior year favorable reserve development were partly offset by the lower catastrophe losses and incremental income from the minority interest buyback.
- **International** income increased 17%. Western Europe income increased 24%, driven by lending products, including cards, as well as strong investment product sales. CEEMEA income declined 44% due to the prior year inclusion of a \$16 million (after tax) gain related to an investment in an affiliate as well as increased expenses for expansion in new countries. In Japan, income rose 44% to \$36 million as revenues increased 57%. Revenue growth was driven by cards, including the impact of Diners Club Japan acquired in the first quarter, as well as foreign currency deposits and investment product sales. Excluding Japan, Asia income increased 54% reflecting volume growth in cards, deposits and investment product sales, and credit improvements. *Latin America* income fell 38% as lower credit costs throughout the region were more than offset by lower earnings in Mexico. Results in Mexico were impacted by the loss of an interest subsidy related to the Confia acquisition.

GLOBAL CORPORATE AND INVESTMENT BANK

3rd Quarter Core Income: \$1.59 Billion, up 40% from \$1.13 Billion

Global Corporate and Investment Bank earnings for the third quarter of 2000 rose 40% from the comparable period last year, with revenue growth of 26%. Citigroup continued to expand in the emerging markets, with the opening of branches in Israel and Bulgaria. *Global Finance Magazine* named Citigroup the Best Emerging Markets Bank, and *Euromoney* awarded the company with the Best Bank in Asia and Best Foreign Bank in 20 emerging market countries. Citigroup was also named the top Project Finance bank in the world by *Global Finance* magazine. The Global Corporate and Investment bank continued to build its position in Europe, ranking #1 in European syndicated lending. Salomon Smith Barney again topped the league tables in a number of categories, ranking #1 in investment grade debt underwriting and #2 in global underwriting, and in Japan, Nikko Salomon Smith Barney, the company's joint venture, was #1 in Japanese equity underwriting. In addition, Salomon Smith Barney's equity research team ranked third in *Institutional Investor* magazine's "All America Research Team" survey. During the quarter, Salomon Smith Barney closed the acquisition of AST Stock Plan, Inc., which enhances its leading position in stock option execution and administrative services, and announced the purchase of The Geneva Companies, which extends its capabilities in advisory services to small and mid-sized companies.

- **Salomon Smith Barney's** income was \$622 million, a 44% increase from the 1999 quarter. Income for SSB excludes certain items booked on Citibank legal vehicles and reflected in the Global Relationship Bank results. Revenues rose 39% from the prior year quarter, with record investment banking revenues resulting from record merger and acquisition fees. Asset management revenue retained in the segment was also a quarterly record. Commission revenues increased 22% from the 1999 quarter to \$992 million primarily as a result of growth in listed commissions. Revenues from principal transactions increased to \$763 million reflecting increases in institutional fixed income and equities revenues. The Private Client business continued to perform well, generating 14% growth in income, with the value of client assets rising 24% to \$1.047 trillion, and assets under fee-based management increasing 40% to \$202 billion. More than 1.7 million accounts, or 24% of the total, now use *Access*, Salomon Smith Barney's web site and on-line trading product. Expenses increased 37% in the quarter, reflecting an increase in compensation expense and the Schroders acquisition. Income also reflects the company's 20.7% equity ownership in Nikko.
- The **Global Relationship Bank** (in the developed markets of North America, Europe and Japan) reported income of \$250 million, up 75% from the 1999 third quarter. Revenue growth of 19% was driven by double-digit increases in transaction services, lending and structured products and the acquisition of Copelco, combined with improved principal transactions. Expenses increased by 3%

as higher incentive compensation and the impact of Copelco was partially offset by the absence of Year 2000 expenses and ongoing expense initiatives. Net-write offs rose \$7 million, to \$13 million in the quarter, reflecting the acquisition of Copelco, which closed in the second quarter.

- **Emerging Markets Corporate Banking** reported record income of \$401 million, up 32%. Revenues rose 20% reflecting double-digit growth in transaction services and improved principal transactions revenue, and the acquisition of Bank Handlowy, which closed in the second quarter. All regions within the Emerging Markets experienced revenue growth in the quarter. Expenses rose 12%, including the impact of Bank Handlowy, and net write-offs of \$22 million fell to their lowest level since the first quarter of 1997, with lower losses experienced across most regions. The 1999 third quarter included a lower provision for credit losses due to an improved credit outlook in the Emerging Markets.
- Continued pricing improvements across all market segments and the incremental earnings from the minority interest buyback led to a 24% increase in income for **Travelers Property Casualty Commercial Lines**, offsetting increased loss cost trends and lower prior year favorable reserve development. Premium growth of 19% reflected the increases in rates as well as the impact of the Reliance Surety acquisition and the purchase of renewal rights for Reliance's middle market business.

GLOBAL INVESTMENT MANAGEMENT AND PRIVATE BANKING

3rd Quarter Core Income: \$176 Million, up 14% from \$154 Million

During the quarter, Citigroup's Global Investment Management and Private Banking Group continued to develop its global research platform, improve investment performance and build share in proprietary distribution channels. Revenues for the quarter increased 22%, with growth across Asset Management, Private Banking and Retirement Services.

- **Asset Management** income rose 14% to \$96 million in the quarter. Revenues increased 32%, reflecting ownership in Siembra and Garante in the retirement services market, and growth in its core business, which offset higher expenses related to continued investment in the global sales, marketing and research platform. Assets under management rose 9% over the prior year period, to \$397 billion.

Sales of the Group's long-term mutual funds and managed account products through the Salomon Smith Barney retail channel rose 21% to \$5.2 billion, representing 43% of all such products distributed through the retail channel. SSB Citi Asset Management products accounted for 53% of Primerica's sales of U.S. mutual and money funds in the quarter, totaling \$449 million. The Group also sold \$3.0 billion in mutual and money funds through Citibank's global consumer channels, raising \$327 million in Europe and \$385 million in Japan. In the U.S., SSB Citi Asset Management funds became the top selling fund group in the Citibank channel (up from #5) following the launch of the Smith Barney fund family this quarter. Institutional client assets rose to \$151 billion, including \$4.9 billion in assets raised from Global Corporate and Investment Bank customers in the third quarter.

- Income for the **Private Bank** rose 14% to \$80 million. Client business volumes, which include loans, deposits and client assets under fee-based management and custody accounts, rose 20% to \$154 billion. Increased volumes in discretionary investment management as well as in banking and lending products drove revenue growth of 10%. Expenses grew 13%, as the Private Bank continued to invest in its sales processes.

CORPORATE/OTHER, E-CITI, AND INVESTMENT ACTIVITIES

The increased loss from **Corporate/Other** in the quarter primarily reflected higher funding costs. The net loss in **e-Citi**, the remainder of internet-related development activities not allocated to the individual businesses, rose \$4 million to \$23 million. Income from **Investment Activities** was \$292 million in the quarter, which included \$199 million in after-tax gains on the exchange of certain Latin American bonds during the 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

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)	Third Quarter		%	Nine Months		%
	2000	1999		Change	2000	
Global Consumer						
Citibanking North America	\$ 143	\$ 107	34	\$ 420	\$ 283	48
Mortgage Banking	70	59	19	196	170	15
North America Cards	369	301	23	973	858	13
CitiFinancial	124	135	(8)	353	284	24
Banking/Lending	706	602	17	1,942	1,595	22
Travelers Life and Annuity	179	168	7	568	488	16
Primerica Financial Services	124	114	9	368	337	9
Personal Lines	68	23	196	225	185	22
Insurance	371	305	22	1,161	1,010	15
Western Europe	88	71	24	251	203	24
Japan	36	25	44	104	69	51
Emerging Markets Consumer Banking	189	171	11	612	433	41
Total International	313	267	17	967	705	37
e-Consumer	(43)	(29)	(48)	(157)	(78)	(101)
Other Consumer	(25)	(12)	(108)	(82)	(53)	(55)
Total Global Consumer	1,322	1,133	17	3,831	3,179	21
Global Corporate and Investment Bank						
Salomon Smith Barney	622	432	44	2,220	1,690	31
Global Relationship Banking	250	143	75	751	473	59
Emerging Markets Corporate Banking	401	303	32	1,163	904	29
Commercial Lines Insurance	315	255	24	822	645	27
Total Global Corporate and Investment Bank	1,588	1,133	40	4,956	3,712	34
Global Investment Management and Private Banking						
SSB Citi Asset Management Group	96	84	14	283	250	13
Global Private Bank	80	70	14	239	196	22
Total Global Investment Management and Private Banking ..	176	154	14	522	446	17
Investment Activities	292	194	51	1,160	445	161
Corporate/Other	(244)	(145)	(68)	(693)	(404)	(72)
e-Citi	(23)	(19)	(21)	(56)	(36)	(56)
Total Corporate/Other	(267)	(164)	(63)	(749)	(440)	(70)
Core Income	3,111	2,450	27	9,720	7,342	32
Restructuring-Related Items -- After Tax (A)	(23)	(15)	53	(37)	30	NM
Cumulative Effect of Accounting Changes (B)	-	-	-	-	(127)	NM
Net Income	\$3,088	\$2,435	27	\$9,683	\$7,245	34
Diluted Earnings Per Share:						
Core Income	\$0.67	\$0.53	26	\$2.10	\$1.58	33
Net Income	0.67	0.52	29	2.09	1.55	35

(A) The restructuring-related items in the 2000 third quarter included a charge of \$15 million and accelerated depreciation of \$8 million. The 2000 year-to-date period included a credit for the reversal of prior charges of \$31 million, \$39 million of accelerated depreciation, and \$29 million of charges. The 1999 third quarter included a credit for the reversal of prior charges of \$41 million, a \$31 million charge, and \$25 million of accelerated depreciation. The 1999 year-to-date period included a credit for reversal of prior charges of \$166 million, a charge of \$31 million, and \$105 million of accelerated depreciation.

(B) 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

Core Income Supplemental Disclosure (In Millions of Dollars)	Third Quarter		% Change	Nine Months		% Change
	2000	1999		2000	1999	
Global Corporate and Investment Bank						
Global Corporate Finance	\$ 883	\$ 698	27	\$2,800	\$2,269	23
Transaction Services	146	54	170	384	137	180
Private Client	247	216	14	865	654	32
Commercial Lines Insurance	315	255	24	822	645	27
Other	(3)	(90)	97	85	7	NM
Total Global Corporate and Investment Bank	\$1,588	\$1,133	40	\$4,956	\$3,712	34
Emerging Markets Consumer and Corporate Banking ⁽¹⁾						
Asia	\$285	\$237	20	\$ 899	\$ 638	41
Latin America	210	177	19	703	644	9
Central and Eastern Europe, Middle East, and Africa	127	106	20	353	224	58
Other	19	25	(24)	21	(11)	NM
Total Emerging Markets	\$641	\$545	18	\$1,976	\$1,495	32
Global Wealth Management						
Private Client	\$247	\$216	14	\$ 865	\$ 654	32
SSB Citi Asset Management Group	96	84	14	283	250	13
Global Private Bank	80	70	14	239	196	22
Global Consumer Investment, Life Insurance & Annuity Products	335	293	14	1,045	853	23
Total Global Wealth Management	\$758	\$663	14	\$2,432	\$1,953	25
Global Cards						
North America	\$369	\$301	23	\$ 973	\$ 858	13
International	107	59	81	318	166	92
Total Global Cards	\$476	\$360	32	\$1,291	\$1,024	26

(1) Also includes Global Investment Management and Private Banking. Excludes Investment Activities.

NM Not meaningful

Prior quarters data can be found on pages 28 through 31 of the Quarterly Financial Data Supplement.