

FOR IMMEDIATE RELEASE

**CITIGROUP REPORTS FIRST QUARTER CORE INCOME OF \$3.66 BILLION (\$0.71 PER SHARE, DILUTED) VS. \$3.94 BILLION (\$0.76 PER SHARE, DILUTED) IN THE FIRST QUARTER OF 2000**

**INCOME FROM INVESTMENT ACTIVITIES DECLINED BY \$497 MILLION, OR \$0.10 PER SHARE FROM THE PRIOR YEAR, TO \$136 MILLION**

**CORE INCOME, EXCLUDING INVESTMENT ACTIVITIES, UP 7% FROM FIRST QUARTER OF 2000**

New York, NY, April 16, 2001 – Citigroup Inc. (NYSE:C) today reported core income for the first quarter ended March 31, 2001, of \$3.66 billion, a 7% decrease from the results recorded in the first quarter of 2000, which included exceptionally strong Investment Activities income. Excluding Investment Activities, core income increased 7% from the prior year first quarter. Income in the first quarter of 2001, prior to the cumulative effect of SFAS 133, was \$3.58 billion, or \$0.70 per share, fully diluted, reflecting an \$80 million after-tax charge for severance and related costs associated with a reduction of staffing primarily in the Corporate businesses. Net income was \$3.54 billion, or \$0.69 per share, fully diluted, after a \$42 million after-tax charge resulting from the adoption of SFAS 133, Accounting for Derivative Instruments and Hedging Activities.

During the first quarter:

- Revenues rose 6% to \$21.0 billion; excluding Investment Activities, revenues grew 11%;
- Each of Citigroup's major business segments generated double-digit revenue growth and achieved record revenues;
- Citigroup generated a 22.5% return on equity;
- Total equity (including trust preferred securities) increased to \$73.6 billion, as of 3/31/01;
- The Corporate and Investment Bank achieved significant market share gains in the quarter;
- The businesses of Associates First Capital continued to be successfully integrated into Citigroup's operations.

"This is precisely the kind of market that demonstrates the power of our franchise," said Sanford I. Weill, Chairman and Chief Executive Officer of Citigroup. "The strength and diversity of our earnings by business, geography, and customer helped to deliver a strong bottom line in a period of market uncertainty. We were exceptionally pleased with the growth in our consumer, emerging markets, private banking and insurance franchises, which helped us achieve solid results despite the challenging markets. We are also excited by the ability of our Corporate business to produce solid results in a difficult market and to continue to increase its market share. One of our key priorities is to be the low cost provider in each of our businesses and, given the recent changes in economic conditions, we are focused on making certain that the cost structures of each of our businesses are appropriate for the current market environment. This commitment was reflected in the severance provision we took this quarter."

**GLOBAL CONSUMER**  
**1<sup>st</sup> Quarter Core Income: \$1.78 Billion, up 18% from \$1.51 Billion**  
**Revenues up 10% to \$10.5 Billion**

Citigroup's Global Consumer businesses increased core income by 18% to \$1.78 billion in the first quarter, led by continued strength in the company's U.S. banking and lending businesses, particularly in U.S. Cards, as well as growth in the company's businesses in Japan. Revenues rose 10%, to \$10.5 billion, as strong loan and deposit volume growth offset slower investment sales, while expense growth was held to 3%. Credit costs rose 12% or \$204 million, primarily in the U.S., driven by increased volumes as well as the impact of the slower economic environment. During the quarter Citigroup took steps to enhance its position in the New York metropolitan retail banking market place with the announcement that it will acquire European American Bank. Citigroup has continued to expand its key products globally, as its Global Cards business grew to over 104 million card accounts in 46 countries, generating income of \$598 million in the first quarter, up 25%. The Global Consumer Finance business earned \$394 million in the quarter, rising 28% on the strength of 19% revenue growth.

- Core income from **Banking/Lending** rose 21% to \$922 million led by *North American Cards*, where income growth of 23% was driven by an expansion in the net interest margin of 77 basis points from the prior quarter, and receivables growth of 17% over the prior year. Income growth of 24% at *Citibanking North America* reflected 10% deposit growth and stable margins, offset by lower investment product fees. *Mortgage Banking* income growth of 17% reflected strong origination volume growth in mortgages, partly offset by spread compression for student loans. Income growth at *CitiFinancial* of 18% was driven by 17% growth in receivables over the prior year.
- **Insurance** core income increased 11% to a record \$422 million. *Primerica's* core income rose 5% as revenue growth of 4% was partly offset by continued expenditures related to international expansion. Production of SMART/SAFE loans was up 41%, and face amount of life insurance issued rose 9%, although mutual fund sales declined 17%. *Travelers Life and Annuity* income grew by 12%, driven by strong business volumes and higher net investment income. Sales momentum increased for both the group annuities and life insurance. *Travelers Property Casualty's Personal Lines* income growth of 18% resulted from lower catastrophe losses and the incremental earnings from the minority interest buyback in the second quarter of 2000, partly offset by continued higher loss cost trends, as well as less prior year favorable reserve development. Net written premium growth, excluding SECURE, was 11%.
- **International** core income increased 9% to \$515 million. In the developed markets of *Western Europe and Japan* (which include the consumer finance and card operations of the former Associates), income rose 25% to \$315 million. Income growth for Western Europe was 14%. Japan's income growth of 32% reflected the substantial volume growth in the core deposit and consumer finance businesses as well as the contribution of the Diners Club and Unimat acquisitions in that market. Income for *Emerging Markets* consumer declined 10% to \$200 million, largely reflecting the 52% decrease in income in Latin America as a result of the negotiated settlement with the Mexican government relating to Confia, partly offset by lower credit costs in the region. Income for Asia (excluding Japan) rose 6% (or 19% excluding the negative impact of foreign currency translation) as lower investment products revenues were offset by a continued improvement in credit costs and by a gain on the contribution of Citigroup's insurance operations in Taiwan to its joint venture with Fubon. CEEMEA income growth of 27% resulted from increased loan and deposit volume across the region, partly offset by investments in new initiatives.

**GLOBAL CORPORATE**  
**1<sup>st</sup> Quarter Core Income: \$1.75 Billion, down 7% from \$1.89 Billion**  
**Revenues Up 11% to \$9.5 Billion**

Income for the Global Corporate business of Citigroup declined 7% from the prior year's record results, but increased 38% from the fourth quarter of 2000. During the quarter the business took steps to align its cost structure with current market conditions, taking a \$66 million charge for severance and related costs associated with a reduction in headcount. Net revenues were up 11% from one year ago, on broad-based market share gains, and Salomon Smith Barney remained the #2 Global Underwriter. During the quarter, the Corporate and Investment Bank led the industry in debt issuance, ranking #1 in U.S. and global investment grade corporate debt, and U.S. and global high yield. The firm also reinforced its leadership position in Japanese equities through its joint venture, Nikko Salomon Smith Barney, with a 65% market share. The continued success of Schroder Salomon Smith Barney was evidenced by substantial market share increases in Europe and the firm's #2 ranking in European fixed income, versus #4 one year ago. Among many notable transactions in the quarter was SSSB's role as joint book and joint lead manager on France Telecom's \$16.4 billion corporate bond issue, the largest in history. In the 78 countries where Citibank operates its Emerging Markets corporate bank, the company continues to increase market share and garner recognition, as *Global Finance Magazine* just named Citibank "Best Bank in the World for Emerging Markets."

- **The Corporate and Investment Bank** reported core income of \$1.01 billion, declining 21% (15% excluding the equity earnings of Nikko Securities) from the very strong results achieved in the prior year quarter, but increasing 74% from the fourth quarter of 2000. Net revenues of \$5.66 billion increased 7% over the year ago quarter and 21% over the fourth quarter. Expense growth of 22% over last year was attributable to the addition of Schroders and Copelco (both acquired in the second quarter of 2000) and increased compensation costs and investment spending to expand product platforms. Compensation as a percentage of net revenues was comparable to the levels of the full year 2000, but higher than the year ago quarter. The business was also impacted by a \$140 million increase in credit costs, to \$230 million in the quarter, which included increased losses in CitiCapital. Income also reflected an \$82 million year-over-year decline in the contribution from Nikko Securities (in which Citigroup has a 20.7% ownership position) due to the weak retail brokerage environment in Japan.

Investment Banking revenue reached a record in the quarter, despite the decline in primary equity issuance, as a result of the completion of several major transactions, including the AOL/Time Warner merger and record levels of fixed income underwriting. Revenue for Global Fixed Income was also a record in the quarter driven by record new issuance and a substantial increase in market share, including a 24% market share for U.S. investment grade debt. Record revenue for Global Equities reflected market share gains and particularly strong performance in Japan and the U.S. The Nikko Salomon Smith Barney joint venture reported its best quarter since inception.

Private client income fell 47% from the first quarter of 2000 and 8% from the fourth quarter of 2000, reflecting continued market volatility. Revenues declined 19% over the prior year period and 5% from the preceding quarter. While transactional revenues were down substantially from last year, fee-based revenues increased 5%, reflecting the Private Client group's continued emphasis on fee-based services. Assets under fee-based management remained stable at \$186 billion. As a result of lower transactional activity, annualized gross production per Financial Consultant declined 27% to \$439,000. During the quarter, the acquisition of Geneva Companies was completed, further expanding Private Client's leadership in serving owners of closely-held companies. Salomon Smith Barney also successfully launched its FDIC-insured bank deposit program, with bank deposits reaching \$17 billion at quarter end.

The contribution from CitiCapital fell 67% from the first quarter as a result of higher loss rates, primarily stemming from the transportation portfolio.

- **Emerging Markets Corporate Banking and Transaction Services** reported a 26% increase in core income, to a record \$454 million, driven by strong trading-related revenues in all regions, double digit revenue growth in transaction services, as well as the contribution of Bank Handlowy acquired in 2000. Expenses increased 19% (or 15% excluding Bank Handlowy), which reflected the acquisition as well as infrastructure investments in all regions. Credit costs continued to improve in all regions, declining by \$40 million over the prior year.
- **Travelers Property Casualty Commercial Lines** core income growth of 13% reflected the continued increases in pricing across all segments, as well as the minority interest buyback in the second quarter of 2000, partly offset by lower net investment income, higher loss cost trends and catastrophe losses related to the Seattle earthquake. Net written premiums increased 28%, which resulted from strong production in all channels as well as the impact of Reliance Surety and the purchase of renewal rights for Reliance's middle market business and Frontier specialty business.

**GLOBAL INVESTMENT MANAGEMENT AND PRIVATE BANKING**  
**1<sup>st</sup> Quarter Core Income: \$193 Million, up 11% from \$174 Million**  
**Revenues up 14% to \$906 Million**

Record core income for Citigroup's Global Investment Management and Private Banking Group reflected continued momentum in the Private Bank, strong net asset flows in Asset Management and expansion of activities in the retirement services market. The group recorded strong share gains through proprietary distribution channels throughout Citigroup, building market share in most categories. Revenues for the quarter rose 14%, led by the increased ownership stakes in Garante and Siembra in Retirement Services and improved revenues in the Private Bank.

- **Asset Management** core income (including Retirement Services) was \$96 million, up 2% from the prior year quarter, reflecting strong net asset flows which offset the impact of negative market activity on the group's assets under management. Revenues rose 19%, primarily due to the inclusion of pension fund acquisitions in Latin America completed over the past year. The 29% increase in expenses was attributable to the continued development of the group's sales and marketing capacity as well as its research, quantitative and technology platforms, the build-out of which is approximately 85% complete. Assets under management rose 1% to \$393 billion.

The group's long term mutual funds and managed account products sold through the Salomon Smith Barney retail channel rose 66% to \$7.7 billion, representing 58% of this channel, and net flows were \$4.8 billion in the quarter. The group's share of the Primerica channel rose to 59%, with \$480 million in Citigroup Asset Management mutual and money funds sold. Sales through Citibank's global retail banking network reached \$3.3 billion in the quarter. Share of the U.S. branch channel reached 75%, following the successful launch of the Smith Barney mutual funds in the third quarter of 2000. Institutional client assets rose to \$156 billion, including \$6 billion in assets raised from Corporate customers in the fourth quarter.

- Core income for the **Private Bank** increased 21% to a record \$97 million. Revenue growth of 7%, as compared to a very strong prior year quarter, was driven by higher fees on investment products, partly offset by a 10% increase in expenses, primarily related to sales infrastructure. A significant decline in credit costs also contributed to income growth. Client business volumes rose 1% to \$146 billion.

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

The loss from **Corporate/Other** decreased over the first quarter of 2000, as a result of improved treasury results and the absence of Year 2000-related expenses which were included in the prior year quarter. Expenses in **e-Citi** continued to decline, at \$7 million in the quarter. Income from **Investment Activities** was \$136 million, a sharp reduction from the exceptionally strong results of the first quarter of 2000, and included realized gains in the company's insurance portfolio offset by negative mark-to-market adjustments in the company's venture capital portfolio.

Citigroup (NYSE: C), the preeminent global financial services company, provides some 120 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. Major brand names under Citigroup's trademark umbrella are Citibank, CitiFinancial, Primerica, Salomon Smith Barney, and Travelers. 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.

Citigroup Segment Income (In Millions of Dollars)	First Quarter		%
	2001	2000	Change
<b>Global Consumer</b>			
Citibanking North America.....	\$ 164	\$ 132	24
Mortgage Banking.....	77	66	17
North America Cards.....	469	382	23
CitiFinancial.....	212	179	18
Banking / Lending.....	922	759	21
Travelers Life and Annuity.....	210	187	12
Primerica Financial Services.....	125	119	5
Personal Lines.....	87	74	18
Insurance.....	422	380	11
Western Europe.....	111	97	14
Japan.....	204	155	32
Emerging Markets Consumer Banking.....	200	222	(10)
Total International.....	515	474	9
e-Consumer.....	(39)	(68)	43
Other Consumer.....	(43)	(39)	(10)
<b>Total Global Consumer.....</b>	<b>1,777</b>	<b>1,506</b>	<b>18</b>
<b>Global Corporate</b>			
Corporate Finance.....	804	862	(7)
Private Client.....	191	359	(47)
CitiCapital.....	19	57	(67)
Corporate and Investment Bank.....	1,014	1,278	(21)
Emerging Markets Corporate Banking & Global Transaction Services.....	454	361	26
Commercial Lines Insurance.....	278	247	13
<b>Total Global Corporate.....</b>	<b>1,746</b>	<b>1,886</b>	<b>(7)</b>
<b>Global Investment Management and Private Banking</b>			
Citigroup Asset Management.....	96	94	2
The Citigroup Private Bank.....	97	80	21
<b>Total Global Investment Management and Private Banking.....</b>	<b>193</b>	<b>174</b>	<b>11</b>
<b>Investment Activities.....</b>	<b>136</b>	<b>633</b>	<b>(79)</b>
<b>Corporate / Other.....</b>	<b>(192)</b>	<b>(260)</b>	<b>26</b>
<b>Core Income.....</b>	<b>3,660</b>	<b>3,939</b>	<b>(7)</b>
Restructuring and Merger Related Items -- After-Tax (A).....	(80)	(83)	4
<b>Income Before Cumulative Effect of Adopting SFAS No. 133.....</b>	<b>3,580</b>	<b>3,856</b>	<b>(7)</b>
Effect of Adopting SFAS No. 133.....	(42)	-	NM
<b>Net Income.....</b>	<b>\$ 3,538</b>	<b>\$ 3,856</b>	<b>(8)</b>
<b>Diluted Earnings Per Share:</b>			
<b>Core Income.....</b>	<b>\$ 0.71</b>	<b>\$ 0.76</b>	<b>(7)</b>
<b>Income Before Cumulative Effect of Adopting SFAS No. 133.....</b>	<b>\$ 0.70</b>	<b>-</b>	<b>NM</b>
<b>Net Income.....</b>	<b>\$ 0.69</b>	<b>\$ 0.75</b>	<b>(8)</b>
<b>Core Diluted Earnings Per Share Excluding Goodwill Amortization...</b>	<b>\$ 0.73</b>	<b>\$ 0.78</b>	<b>(6)</b>

(A) Restructuring-related items in the 2001 first quarter includes \$66 million of severance and other costs associated with the reduction of staff primarily at the Corporate and Investment Bank, and \$14 million of accelerated depreciation. Restructuring related-items in the 2000 first quarter includes \$71 million related to the discontinuation of the loan origination operations of Associates and \$12 million of accelerated depreciation.

Core Income Supplemental Disclosure <i>(In Millions of Dollars)</i>	First Quarter		%
	2001	2000	Change
<b>Citigroup Emerging Markets (excluding Investment Activities)</b>			
<b>Asia</b>			
Consumer Banking.....	\$ 150	\$ 140	7
Corporate.....	159	148	7
Asset Management & Private Banking.....	28	21	33
<b>Total Asia.....</b>	<b>\$ 337</b>	<b>\$ 309</b>	<b>9</b>
<b>Latin America</b>			
Consumer Banking.....	\$ 34	\$ 67	(49)
Corporate.....	184	173	6
Asset Management & Private Banking.....	38	29	31
<b>Total Latin America.....</b>	<b>\$ 256</b>	<b>\$ 269</b>	<b>(5)</b>
<b>Central and Eastern Europe, Middle East and Africa</b>			
Consumer Banking.....	\$ 18	\$ 15	20
Corporate.....	158	93	70
Asset Management & Private Banking.....	5	7	(29)
<b>Total Central and Eastern Europe, Middle East and Africa.....</b>	<b>\$ 181</b>	<b>\$ 115</b>	<b>57</b>
Other.....	(17)	7	NM
<b>Total Emerging Markets.....</b>	<b>\$ 757</b>	<b>\$ 700</b>	<b>8</b>
<b>Global Wealth Management</b>			
Private Client.....	\$ 191	\$ 359	(47)
Citigroup Asset Management .....	96	94	2
The Citigroup Private Bank.....	97	80	21
Global Consumer Investment, Life Insurance and Annuity Products.....	349	349	-
<b>Total Global Wealth Management.....</b>	<b>\$ 733</b>	<b>\$ 882</b>	<b>(17)</b>
<b>Global Cards</b>			
North America.....	\$ 469	\$ 382	23
International.....	129	96	34
<b>Total Global Cards.....</b>	<b>\$ 598</b>	<b>\$ 478</b>	<b>25</b>
<b>Global Consumer Finance</b>			
North America.....	\$ 212	\$ 179	18
International.....	182	130	40
<b>Total Global Consumer Finance.....</b>	<b>\$ 394</b>	<b>\$ 309</b>	<b>28</b>