

**CITIGROUP THIRD QUARTER CORE INCOME OF \$3.26 BILLION, REFLECTING  
\$700 MILLION AFTER-TAX IMPACT OF SEPTEMBER 11 EVENTS**

**REVENUE GROWTH OF 5% TO \$20.29 BILLION; EXPENSES DOWN 2%**

**REVENUE GROWTH OF 8% EXCLUDING INVESTMENT ACTIVITIES  
CORE EPS OF \$0.63 PER SHARE**

New York, NY, October 17, 2001 — Citigroup Inc. (NYSE:C) today reported core income for the third quarter ended September 30, 2001 of \$3.26 billion, or \$0.63 per share, diluted, a 7% decline from the prior year period. Results included \$502 million, or \$0.10 per share, in after-tax losses related to insurance claims, as well as approximately \$200 million, or \$0.04 per share as a result of the disruption to our businesses in connection with the September 11 terrorist attacks. Excluding these items, core income increased 12%. The sharp reduction in equity values during September also resulted in a loss for Citigroup's Investment Activities of \$120 million in the quarter. Net income for the third quarter of \$3.18 billion, or \$0.61 per share, included an \$85 million after tax restructuring charge primarily related to the acquisition of Grupo Financiero Banamex-Accival ("Banamex").

"During and after the events of September 11, Citigroup continued to serve our customers, even as we were forced to evacuate 16,000 people from seven sites and as we witnessed the total collapse of 7 World Trade Center, which was headquarters to our Asset Management business. Our back-up sites were immediately functional, enabling us to provide seamless service to our customers. We are proud of our employees, who reacted to this tragedy in an exemplary manner," said Sanford I. Weill, Chairman and Chief Executive Officer of Citigroup.

"The diversification of our business and our market-leading franchises allowed us to perform well, even in this time of significant economic stress. Our consumer businesses generated exceptional growth, posting earnings increases of 45% for CitiFinancial, 25% for Citibanking North America, and 16% in North America Cards. Our Corporate and Investment Bank, where earnings declined 2% in a challenging environment, continued to build share in debt and equity underwriting, and assumed a leadership role in the hours and days following the World Trade Center attack with an active market presence, providing liquidity to our clients. Our Emerging Markets franchise posted earnings growth of 40%. The future earnings potential of our property casualty company looks bright as pricing for the industry continues to firm. We are very pleased that on October 11, Moody's recognized the financial strength of our company by upgrading the ratings of Citigroup from "Aa2" to "Aa1" and of Citicorp, Salomon Smith Barney and Travelers Life and Annuity from "Aa3" to "Aa1."

"With more than \$85 billion in total equity, we have the balance sheet strength to make timely acquisitions to expand our franchises. We remain committed to our goals of building market share, controlling costs and maintaining credit quality.

"The diversity and strength of our businesses give us confidence that, assuming a stable market environment, we will deliver 15% earnings growth in the fourth quarter," said Weill.

Highlights of the quarter included:

- Market share increases in key businesses:
  - Citigroup's Emerging Markets business completed the acquisition of Banamex, creating a financial services leader in Mexico and adding nearly 15 million customer accounts. Citigroup continues to increase its share of its target market in key countries and was recently named "Best Bank in Asia," "Best Bank in Latin America," and "Best Bank in Africa" by *Euromoney*.

- Citigroup's Corporate and Investment Bank ranked in the top three in every category of global debt and equity underwriting, and was the #1 underwriter of U.S. investment grade bonds. For the first time, Salomon Smith Barney's U.S. equity research team attained the #1 spot in *Institutional Investor's* "All America Research Team" survey, moving up from #3 last year. CIB continued to build share in global equities, reaching 11.1% market share versus 5.1% one year ago. The company's joint venture in Japan, Nikko Salomon Smith Barney, continues to lead the Japanese equity market with market share in excess of 40%. Once again, Citigroup led the industry in disclosed fees for global stock and bond underwriting for the quarter and year to date, and investment banking revenues topped the industry year to date.
  - Global Cards income growth accelerated to 22%, driven by 22% revenue growth and expense growth of only 2%. Receivables were up 8% globally, with international growth driven by the acquisition of Banamex.
  - Core income for Citigroup's Global Consumer Finance business increased 40%. Revenues rose 20%, driven by receivables growth of 12% in North America and 7% internationally. Expense growth was limited to 1%, reflecting continuing cost savings from the integration of Associates.
  - Citigroup Asset Management now ranks #9 in U.S. long-term mutual fund flows, versus #148 one year ago.
- An absolute reduction in expenses, as total company expenses declined 2% from the prior year, to \$9.39 billion. Excluding the impact of EAB and Banamex, which were acquired during the third quarter, expenses decreased 4% from the prior quarter and 6% from the prior year period.
  - Modest net credit loss rate increases across most of Citigroup's consumer portfolios. While the loss ratio for the North American Cards business increased 153 basis points from the prior year period, it improved by 3 basis points from the second quarter. For the corporate portfolio, loss rates remained stable since the end of the second quarter. Commercial cash basis loans increased from \$2.6 billion to \$3.4 billion, the majority of the increase arising in the emerging markets and from the acquisition of Banamex.
  - Progress on a variety of cross-marketing initiatives through Citigroup's distribution channels. On a year-to-date basis, revenues for investment banking products sold to commercial banking customers increased 11% from the prior year to approximately \$1.8 billion. The sale of Travelers Life and Annuity products through the Citibank branch channel rose 11%, while the market share of Citigroup's investment products sold through proprietary channels increased to 59% from 44% one year ago.
  - Strengthening capital, as Citigroup's total equity, including trust preferred securities, grew to \$85.5 billion at September 30, 2001. Citigroup's return on common equity for the quarter was 17.5%, or 21.3%, excluding the \$700 million impact of September 11<sup>th</sup> events. Citigroup repurchased a total of \$649 million worth of stock in the quarter, despite being restricted for four weeks from repurchasing shares during the Banamex tender period. Yesterday, the Board of Directors of Citigroup authorized an additional \$5 billion stock repurchase program.

## GLOBAL CONSUMER

Core income of \$2.20 billion, up 26%. Highlights included:

- Global Consumer revenue increased 19% to \$11.7 billion, while expense growth was held to 8%.
- CitiFinancial income increased 45% driven by cost savings from the Associates integration, as well as 11% receivables growth and a lower cost of funds.
- Citibanking income increased 25%, benefiting from higher spread income and 24% deposit growth, driven by the addition of EAB, which was acquired during the quarter.
- North America Cards income rose 16%. Revenues increased 22%, as 9% receivables growth, pricing initiatives and lower cost of funds led to a 172 basis point increase in the net interest margin, which more than offset the impact of a 153 basis point increase in the net credit loss ratio.
- Emerging Markets consumer income rose 81%, reflecting a 54% increase in revenues. This segment now includes the results of all operations for Banamex and Citibank Mexico, which

together contributed \$124 million in income, as compared to a loss of \$3 million in the prior year for Citibank Mexico. Growth was experienced across all products, with particular strength in cards, primarily in Asia.

- Income for Travelers Life and Annuity was down 1% from the prior year period as lower net investment income and the impact from the World Trade Center attack was partly offset by strong growth in group annuity and life volumes.
- Travelers Property Casualty Personal Lines income fell 57%, reflecting \$42 million in after-tax catastrophe losses associated with the World Trade Center attack, offsetting 9% premium growth driven by improving rates.

## GLOBAL CORPORATE

Core income of \$1.16 billion, down 27%. Highlights included:

- Global Corporate revenues of \$8.0 billion decreased 5%, while expenses fell 10%.
- Income from Emerging Markets Corporate Banking and Global Transaction Services increased 15%, driven by strong trading-related revenues. Expense growth was held to 4% and credit costs increased by \$13 million, or 68% from the prior year, although declining from the second quarter.
- The Corporate & Investment Bank's income decreased 2%, as significantly lower principal transactions, investment banking and commission revenues were offset by continued expense reductions. Expenses declined 18% from the prior year and 8% from the second quarter of 2001. Despite a weaker environment, the Private Client Group maintained a 20% margin, with net flows of \$9 billion in the quarter, more than double the level experienced in the second quarter.
- Travelers Property Casualty Commercial Lines posted a loss of \$136 million, which included \$448 million in after tax catastrophe losses related to the World Trade Center attack, as well as lower net investment income. Percentage increases for commercial lines insurance rates continued to be in the high-teens.

## GLOBAL INVESTMENT MANAGEMENT AND PRIVATE BANKING

Core income of \$186 million, up 8%. Highlights included:

- Private Bank income rose 18%, with revenue growth of 8% reflecting increased fee revenue resulting from the build-out of the sales platform and continued expense management.
- Asset Management and Retirement Services income was unchanged from the prior year period. Revenues increased 11%, driven primarily by growth in Retirement Services in the emerging markets. Expense growth was held to 8%, or 3% excluding recent Retirement Services acquisitions. Assets under management rose by 1% to \$400.6 billion, as strong net flows of \$15 billion were offset by negative market action.
- Asset Management market share increased in nearly all proprietary channels, with market shares of 59% in the Smith Barney retail channel, 71% at Primerica Financial Services and 77% in the Citibank North America channel.

## INVESTMENT ACTIVITIES AND CORPORATE/OTHER

Despite realized gains in Citigroup's fixed income portfolios, Investment Activities posted a loss of \$120 million, reflecting the sharp decline in equity values following September 11<sup>th</sup>. Expenses in Corporate/Other were \$159 million, aided by lower borrowing costs and expense reduction initiatives.

Citigroup (NYSE: C), the preeminent global financial services company with some 190 million customer accounts in more than 100 countries, provides consumers, corporations, governments and institutions 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 red umbrella include Citibank, CitiFinancial, Primerica, Smith Barney, Banamex, 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.

### Contacts:

Press:	Leah Johnson	(212) 559-9446	Christina Pretto	(212) 793-8217
Investors:	Sheri Ptashek	(212) 559-4658		

**Citigroup Segment Revenue**

(In Millions of Dollars)

	Third Quarter		% Change	Nine Months		% Change
	2001	2000		2001	2000	
<b>Global Consumer</b>						
Citibanking North America.....	\$ 714	\$ 566	26	\$ 1,989	\$ 1,711	16
Mortgage Banking.....	260	225	16	770	674	14
North America Cards.....	3,352	2,737	22	9,455	7,845	21
CitiFinancial.....	1,436	1,262	14	4,165	3,753	11
<b>Banking / Lending.....</b>	<b>5,762</b>	<b>4,790</b>	<b>20</b>	<b>16,379</b>	<b>13,983</b>	<b>17</b>
Travelers Life and Annuity.....	875	899	(3)	2,980	2,892	3
Primerica Financial Services.....	493	474	4	1,480	1,425	4
Personal Lines.....	1,132	1,058	7	3,318	3,142	6
<b>Insurance.....</b>	<b>2,500</b>	<b>2,431</b>	<b>3</b>	<b>7,778</b>	<b>7,459</b>	<b>4</b>
Western Europe.....	651	579	12	1,875	1,797	4
Japan.....	859	713	20	2,502	1,966	27
Mexico.....	683	119	NM	995	452	NM
Other Emerging Markets Consumer Banking.....	1,090	1,034	5	3,246	3,135	4
Emerging Markets Consumer Banking.....	1,773	1,153	54	4,241	3,587	18
<b>Total International.....</b>	<b>3,283</b>	<b>2,445</b>	<b>34</b>	<b>8,618</b>	<b>7,350</b>	<b>17</b>
e-Consumer.....	54	76	(29)	136	135	1
Other Consumer.....	62	95	(35)	127	111	14
<b>Total Global Consumer.....</b>	<b>11,661</b>	<b>9,837</b>	<b>19</b>	<b>33,038</b>	<b>29,038</b>	<b>14</b>
<b>Global Corporate</b>						
Corporate Finance.....	2,887	3,249	(11)	10,197	9,753	5
Private Client.....	1,451	1,681	(14)	4,516	5,288	(15)
<b>Corporate and Investment Bank.....</b>	<b>4,338</b>	<b>4,930</b>	<b>(12)</b>	<b>14,713</b>	<b>15,041</b>	<b>(2)</b>
Emerging Markets Corporate Banking and Global Transaction Services.....	1,699	1,578	8	5,273	4,586	15
Commercial Lines Insurance.....	1,977	1,928	3	5,965	5,435	10
<b>Total Global Corporate.....</b>	<b>8,014</b>	<b>8,436</b>	<b>(5)</b>	<b>25,951</b>	<b>25,062</b>	<b>4</b>
<b>Global Investment Management and Private Banking</b>						
Citigroup Asset Management.....	523	471	11	1,505	1,355	11
The Citigroup Private Bank.....	365	337	8	1,130	1,039	9
<b>Total Global Investment Management and Private Banking.....</b>	<b>888</b>	<b>808</b>	<b>10</b>	<b>2,635</b>	<b>2,394</b>	<b>10</b>
<b>Investment Activities.....</b>	<b>(164)</b>	<b>496</b>	<b>NM</b>	<b>429</b>	<b>1,964</b>	<b>(78)</b>
<b>Corporate / Other.....</b>	<b>(105)</b>	<b>(169)</b>	<b>38</b>	<b>(397)</b>	<b>(417)</b>	<b>5</b>
<b>Total Adjusted Revenue.....</b>	<b>20,294</b>	<b>19,408</b>	<b>5</b>	<b>61,656</b>	<b>58,041</b>	<b>6</b>

**Citigroup Segment Income**

(In Millions of Dollars, except per share data)

	Third Quarter		%	Nine Months		%
	2001	2000		2001	2000	
<b>Global Consumer</b>						
Citibanking North America.....	\$ 151	\$ 121	25	\$ 440	\$ 368	20
Mortgage Banking.....	92	77	19	257	214	20
North America Cards.....	573	492	16	1,495	1,260	19
CitiFinancial.....	308	213	45	806	597	35
<b>Banking / Lending.....</b>	<b>1,124</b>	<b>903</b>	<b>24</b>	<b>2,998</b>	<b>2,439</b>	<b>23</b>
Travelers Life and Annuity.....	178	179	(1)	619	568	9
Primerica Financial Services.....	125	124	1	378	368	3
Personal Lines.....	29	68	(57)	155	224	(31)
<b>Insurance.....</b>	<b>332</b>	<b>371</b>	<b>(11)</b>	<b>1,152</b>	<b>1,160</b>	<b>(1)</b>
Western Europe.....	124	94	32	340	281	21
Japan.....	244	204	20	671	527	27
Mexico.....	124	(3)	NM	139	46	NM
Other Emerging Markets Consumer Banking.....	247	208	19	703	635	11
Emerging Markets Consumer Banking.....	371	205	81	842	681	24
<b>Total International.....</b>	<b>739</b>	<b>503</b>	<b>47</b>	<b>1,853</b>	<b>1,489</b>	<b>24</b>
e-Consumer.....	(14)	(31)	55	(60)	(127)	53
Other Consumer.....	15	(7)	NM	11	(80)	NM
<b>Total Global Consumer.....</b>	<b>2,196</b>	<b>1,739</b>	<b>26</b>	<b>5,954</b>	<b>4,881</b>	<b>22</b>
<b>Global Corporate</b>						
Corporate Finance.....	688	637	8	2,231	2,207	1
Private Client.....	179	251	(29)	577	864	(33)
Corporate and Investment Bank.....	867	888	(2)	2,808	3,071	(9)
Emerging Markets Corporate Banking and Global Transaction Services.....	428	372	15	1,293	996	30
Commercial Lines Insurance.....	(136)	317	NM	428	836	(49)
<b>Total Global Corporate.....</b>	<b>1,159</b>	<b>1,577</b>	<b>(27)</b>	<b>4,529</b>	<b>4,903</b>	<b>(8)</b>
<b>Global Investment Management and Private Banking</b>						
Citigroup Asset Management.....	93	93	-	262	273	(4)
The Citigroup Private Bank.....	93	79	18	283	238	19
<b>Total Global Investment Management and Private Banking.....</b>	<b>186</b>	<b>172</b>	<b>8</b>	<b>545</b>	<b>511</b>	<b>7</b>
<b>Investment Activities.....</b>	<b>(120)</b>	<b>284</b>	<b>NM</b>	<b>251</b>	<b>1,189</b>	<b>(79)</b>
<b>Corporate / Other.....</b>	<b>(159)</b>	<b>(243)</b>	<b>35</b>	<b>(572)</b>	<b>(675)</b>	<b>15</b>
<b>Core Income.....</b>	<b>3,262</b>	<b>3,529</b>	<b>(8)</b>	<b>10,707</b>	<b>10,809</b>	<b>(1)</b>
Restructuring and Merger Related Items -- After Tax (A).....	(85)	(45)	(89)	(298)	(130)	NM
<b>Income Before Cumulative Effect of Accounting Changes.....</b>	<b>\$ 3,177</b>	<b>\$ 3,484</b>	<b>(9)</b>	<b>\$ 10,409</b>	<b>\$ 10,679</b>	<b>(3)</b>
Cumulative Effect of Accounting Changes (B).....	-	-	-	(158)	-	-
<b>Net Income.....</b>	<b>\$ 3,177</b>	<b>\$ 3,484</b>	<b>(9)</b>	<b>\$ 10,251</b>	<b>\$ 10,679</b>	<b>(4)</b>
<b>Diluted Earnings Per Share:</b>						
<b>Core Income.....</b>	<b>\$ 0.63</b>	<b>\$ 0.68</b>	<b>(7)</b>	<b>\$ 2.07</b>	<b>\$ 2.09</b>	<b>(1)</b>
<b>Income Before Cumulative Effect of Accounting Changes.....</b>	<b>\$ 0.61</b>	<b>\$ 0.67</b>	<b>(9)</b>	<b>\$ 2.01</b>	<b>\$ 2.07</b>	<b>(3)</b>
<b>Net Income.....</b>	<b>\$ 0.61</b>	<b>\$ 0.67</b>	<b>(9)</b>	<b>\$ 1.98</b>	<b>\$ 2.07</b>	<b>(4)</b>
<b>Core Diluted Earnings Per Share Excl. Goodwill Amortization.....</b>	<b>\$ 0.65</b>	<b>\$ 0.70</b>	<b>(7)</b>	<b>\$ 2.13</b>	<b>\$ 2.15</b>	<b>(1)</b>

(A) Restructuring and merger-related items in the 2001 first quarter related principally to severance and costs associated with the reduction of staff in the Global Corporate businesses, and in the 2001 second quarter related principally to severance and costs associated with the reduction of staff in the Corporate and Global Consumer businesses, and in the 2001 third quarter primarily related to the acquisition of Banamex and the integration of its operations within the Global Consumer business.

(B) Accounting Changes refer to the first quarter 2001 adoption of Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended and the second quarter 2001 adoption of EITF issue 99-20 "Recognition of Interest Income and Impairment on Purchased and Retained Beneficial Interests in Securitized Financial Assets."

**Core Income Supplemental Disclosure**

(In Millions of Dollars)

	<u>Third Quarter</u>		%	<u>Nine Months</u>		%
	<u>2001</u>	<u>2000</u>		<u>2001</u>	<u>2000</u>	
<b>Citigroup Emerging Markets (excluding Investment Activities)</b>						
<b>Asia</b>						
Consumer Banking.....	\$ 158	\$ 137	15	\$ 453	\$ 413	10
Corporate.....	150	138	9	512	398	29
Asset Management & Private Banking.....	17	11	55	58	49	18
<b>Total Asia.....</b>	<b>325</b>	<b>286</b>	<b>14</b>	<b>1,023</b>	<b>860</b>	<b>19</b>
<b>Mexico.....</b>	<b>124</b>	<b>(3)</b>	<b>NM</b>	<b>139</b>	<b>46</b>	<b>NM</b>
<b>Latin America</b>						
Consumer Banking.....	71	60	18	204	180	13
Corporate.....	171	123	39	480	388	24
Asset Management & Private Banking.....	48	31	55	134	94	43
<b>Total Latin America.....</b>	<b>290</b>	<b>214</b>	<b>36</b>	<b>818</b>	<b>662</b>	<b>24</b>
<b>Central and Eastern Europe, Middle East and Africa</b>						
Consumer Banking.....	24	11	NM	63	40	58
Corporate.....	123	109	13	389	295	32
Asset Management & Private Banking.....	5	4	25	15	11	36
<b>Total Central and Eastern Europe, Middle East and Africa.....</b>	<b>152</b>	<b>124</b>	<b>23</b>	<b>467</b>	<b>346</b>	<b>35</b>
Other.....	(4)	12	NM	(31)	1	NM
<b>Total Emerging Markets.....</b>	<b>\$ 887</b>	<b>\$ 633</b>	<b>40</b>	<b>\$ 2,416</b>	<b>\$ 1,915</b>	<b>26</b>
<b>Global Wealth Management</b>						
Private Client.....	\$ 179	\$ 251	(29)	\$ 577	\$ 864	(33)
Citigroup Asset Management.....	93	93	-	262	273	(4)
The Citigroup Private Bank.....	93	79	18	283	238	19
Global Consumer Investment, Life Insurance and Annuity Products.....	322	334	(4)	1,048	1,035	1
<b>Total Global Wealth Management.....</b>	<b>\$ 687</b>	<b>\$ 757</b>	<b>(9)</b>	<b>\$ 2,170</b>	<b>\$ 2,410</b>	<b>(10)</b>
<b>Global Cards</b>						
North America.....	\$ 573	\$ 492	16	\$ 1,495	1,260	19
International.....	163	112	46	404	331	22
<b>Total Global Cards.....</b>	<b>\$ 736</b>	<b>\$ 604</b>	<b>22</b>	<b>\$ 1,899</b>	<b>\$ 1,591</b>	<b>19</b>
<b>Global Consumer Finance</b>						
North America.....	\$ 308	\$ 213	45	\$ 806	\$ 597	35
International.....	228	170	34	612	447	37
<b>Total Global Consumer Finance.....</b>	<b>\$ 536</b>	<b>\$ 383</b>	<b>40</b>	<b>\$ 1,418</b>	<b>\$ 1,044</b>	<b>36</b>