



For Immediate Release

**The Bank of East Asia
to Implement Citigroup's Foreign Exchange Settlement Offering**

BEA to use Citibank® CLS™ Settlement Services

Hong Kong, 13th September 2004 – Citibank, a unit of Citigroup, has been appointed as the sole service provider of CLS™ Third Party Settlement Services of The Bank of East Asia (BEA). The agreement will enable BEA to settle its foreign exchange transactions through CLS Bank.

Continuous Linked Settlement (CLS) is a real-time global settlement process that reduces settlement risk caused by foreign exchange (FX) transactions occurring across different time zones. Both sides of an FX transaction are settled simultaneously through CLS Bank on a payment versus payment basis.

Citibank® CLS™ Settlement Services allows financial institutions that are not CLS Settlement Members to access the CLS settlement process, and significantly reduce settlement risk, streamline operations, gain efficiencies, and reduce the costs of settlement and exception processing. Citibank clients, as third parties, began to submit and settle trades on an unrestricted basis as third parties through the CLS Bank infrastructure on 4 November 2002.

BEA's Chairman and Chief Executive Dr. David K.P. Li said, "Through our partnership with Citigroup and our adoption of CLS™ Third Party Settlement Services, BEA will substantially enhance its foreign exchange operations, particularly in regards to overall efficiency and security. We look forward to a long and mutually rewarding relationship with Citigroup, one which enables us to continually deliver clear benefits to our customers."

"We are delighted that BEA has chosen Citigroup as its CLS third party service provider. As a leader in foreign exchange and global payments, we are committed to providing our clients with the premier CLS services in the market," said Catherine Weir, Head of Greater China, Citigroup Global Corporate and Investment Banking Group.

For the month of July 2004, Citigroup through its six branches involved in the CLS settlement process (New York, London, Tokyo, Hong Kong, Singapore and Sydney) settled more than 148,000 transactions totaling over USD3.12 trillion in value. In July 2004, Citigroup was officially ranked first in terms of CLS volume at CLS Bank and increased its third party service market share to 29%. Citigroup has won numerous client mandates in Asia, North America, Europe, and Africa – mandates from multiple settlement members pursuing third party participation in CLS; and mandates from several of the largest participants in the FX marketplace that are not CLS settlement members.



CLS and CLS Bank are trademarks of CLS UK Intermediate Holdings Ltd.

About The Bank of East Asia

Established in 1918, BEA is the largest independent local bank in Hong Kong with total assets of HKD194 billion (USD24.9 billion) as of 30th June 2004. Over the years, BEA has gained an international reputation as a professionally managed and prudent financial institution that understands customers' needs. The BEA Group now operates over 100 branches and SupremeGold Centres in Hong Kong, 20 outlets in Greater China, and maintains an extensive presence in the U.S.A., Canada, the U.K., the British Virgin Islands, and Southeast Asia. For more information on BEA, please visit the Bank's website at: www.hkbea.com.

About Citigroup

Citigroup (NYSE: C), the preeminent global financial services company has some 200 million customer accounts and does business in more than 100 countries, providing 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 Life and Annuity. Additional information may be found at www.citigroup.com.

About Citigroup® Global Transaction Services

Citigroup Global Transaction Services is a leading provider of integrated cash management, trade finance, securities and fund services and commercial card solutions to corporations, financial institutions and governments around the world. With over USD115 billion in average liability balances, more than USD6.7 trillion in assets under custody and the largest proprietary branch network, Citigroup's award-winning operating systems and Internet-based delivery channels enable clients to manage and monitor working capital and investments more efficiently, streamline transaction processing cycles, and re-engineer receivables and payment processes. Citigroup Global Transaction Services provides clients with access to Citigroup's full range of capabilities and solutions along with an on-the-ground presence and in-depth knowledge of more than 90 local markets. For additional information, see www.transactionservices.citigroup.com.

Media Contacts:

BEA

Mr. Peter Yuen
Head of Financial Institutions Department
Tel: (852) 2842 3553
Fax: (852) 2845 4874
E-mail: yuenpwh@hkbea.com

Citigroup

Ms. Mable Chan
Head of Corporate Affairs, Hong Kong
Global Corporate & Investment Banking Group
Tel: (852) 2868 7768
Fax: (852) 2596 0857
E-mail: mable.chan@citigroup.com