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What's News—

Business and Finance

World-Wide

■ Citigroup agreed to buy the units of Central American banking group Cuscatlan for \$1.51 billion, its latest foreign acquisition.

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Citigroup to Buy Grupo Cuscatlan, U.K.'s Quilter

By DAVID ENRICH

Citigroup Inc. agreed to buy a Central American banking company in a \$1.51 billion cash-and-stock deal that marks the latest in a series of recent overseas acquisitions.

Citigroup said it is buying the subsidiaries of Grupo Cuscatlan from Corporacion UBC Internacional SA, a commercial and corporate-banking group that does business in El Salvador, Guatemala, Costa Rica, Honduras and Panama. Citigroup also is acquiring the group's pension and insurance operations in El Salvador.

Citigroup, after a yearlong deal-making hiatus imposed by the Federal Reserve, has been on a small shopping spree lately. The company also announced yesterday that it has agreed to buy Quilter, a Morgan Stanley wealth-management unit in the United Kingdom. Terms weren't disclosed.

The Central American deal, coming the day before top Citigroup executives host their annual investor day at their Park Avenue headquarters in New York, is Citigroup's second recent deal in the region and its fifth international deal this fall.

In October, Citigroup bought Grupo Financiero Uno, which it described as Central America's No. 1 credit-card issuer. The bank didn't disclose the terms of that deal. That month, Citigroup also agreed to buy a 20% stake in a big Turkish bank, Akbank TAS. In November, Citigroup led a group that agreed to buy about 86% of Guangdong Development Bank, a southern Chinese lender.

The moves illustrate a bet by Chief Executive Charles Prince that fast-growing overseas markets hold greater potential for the world's biggest bank than the U.S. But it isn't clear the deals will quickly jump-start Citigroup's sluggish revenue streams, a source of angst among many Citigroup investors.

The Grupo Cuscatlan deal "is another significant step in expanding Citigroup's businesses in Latin America," Mr. Prince said in a statement. Coupled with the pending Grupo Uno deal, "these transactions quickly and significantly strengthen our distribution capabilities and product offerings to serve retail and corporate clients in Central America."

Citigroup said Grupo Cuscatlan has \$5.4 billion in assets, including \$3.5 billion in loans and \$3.4 billion in deposits.