

## **Citi to put online bank Egg up for sale**

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Citigroup is preparing to put Egg, its UK online bank, up for sale as part of the US financial group's plan to shed billions of dollars in unwanted assets, according to people close to the situation.

Egg, which was created by the Prudential before being sold to Citi in 2007, could attract interest from UK and international groups, including Spain's Santander and Tesco's Metro Bank, analysts said.

A disposal of Egg would help Citi in its quest to dispose of more than \$800bn (£501bn) in non-core assets following the huge losses it suffered during the financial crisis.

It is unclear whether the US group would reap a profit from the sale of Egg, for which it paid £575m three years ago.

Egg – one of the pioneers in online banking when it was launched by Prudential in 1998 – is estimated to have more than two million customers.

People close to the situation said Citi had been holding informal talks with potential buyers over Egg for some time, but it was now preparing to start an auction for the business, probably after the summer months.

Virgin Online, one of Egg's rivals, is believed to have already signalled that it is not interested in Egg.

Egg is part of Citi Holdings, the unit that houses the assets Citi has earmarked for sale.

Citi said on Tuesday: "We do not comment on speculation or rumour, but it is already public knowledge that Egg is part of Citi Holdings. Citi's strategy is to reduce the assets and businesses within Citi Holdings, its portfolio of non-core operating businesses and assets, in an economically rational manner."

The US government still owns a stake of about 18 per cent in Citi following its repeated bail-outs of the group during the crisis and regulators have been putting pressure on Citi's management to shrink Citi Holdings as quickly as possible.

Citi has already sold or wound down more than \$360bn-worth of assets in Citi Holdings but it still has to dispose of some \$460bn in businesses and assets.

**Fonte: Financial Times, London, Aug. 3<sup>rd</sup> 2010, Companies, online.**