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Citi to Acquire Bisys Group, Inc.

Acquisition of Top-Five Hedge Fund Administrator and Mutual Fund Services Provider to Strengthen Citi's Investor Services Platform

Citi to Sell Bisys' Retirement and Insurance Divisions to Affiliates of J.C. Flowers & Co. LLC at Closing

New York – Citi today announced it has signed an agreement to acquire Bisys Group, Inc. for \$1.45 billion in an all-cash transaction. Bisys' shareholders will receive merger consideration of \$11.85 per share, and a special dividend of \$0.15 to be paid at the closing of the transaction by Bisys, for a total consideration of \$1.47 billion. By acquiring and retaining the Investment Services Division of Bisys, which includes the Fund Services and Alternative Investment Services businesses, Citi will become a market leading provider of hedge fund and mutual fund services as well as a top-tiered administrator for the private equity industry.

At closing, Citi will sell the Retirement and Insurance Services Divisions of Bisys to affiliates of J.C. Flowers & Co. LLC, making the net cost of the transaction to Citi approximately \$800 million.

"Bisys and Citi are a great fit. Bisys' Investment Services division propels Citi into a market leading position in hedge fund administration and mutual fund servicing, and integrating it into Citi's global network will extend our full service client platform and reaffirm our focus on serving the needs of high growth markets including private equity and hedge funds," said Michael Klein, Co-President of Citi Markets & Banking. "Bisys' clients will now have access to the full suite of Citi's industry leading banking and capital markets solutions."

"In addition to demonstrating Citi's continued commitment to investing in high-growth areas of our business, this acquisition enhances our fund of fund and mutual fund servicing capabilities while establishing Citi as a leading provider of private equity fund services. Citi is committed to integrating this new operation into a world class, scalable business and enhancing our innovative service offering to new and existing Citi clients," said Tom Maheras, Co-President of Citi Markets & Banking.

"Citi will enable us to offer our clients access to the full platform of capital markets and global banking solutions," said Robert Casale, Chairman of the Board, Interim President & CEO at Bisys Group, Inc. "The combination of Citi's expertise, resources and client relationships with our operational capabilities, client base and experience in the mutual fund and alternative investments arena



will be very formidable."

The transaction is expected to close in the second half of this year and is subject to Bisys shareholder approval and to regulatory approvals in the United States, Ireland and Bermuda. The transaction is expected to be neutral to earnings per share in the first year and accretive thereafter.

Citi's Investment Bank was sole advisor to Citi on this transaction.