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Credit Mutuel purchases Citi's German retail Unit

By David Gauthier-Villars

PARIS -- In yet another step to shore up its finances, U.S. banking giant **Citigroup** Inc. agreed to sell its lucrative German retail operations to France's unlisted bank **Credit Mutuel** for \$7.7 billion.

The cash transaction, which could close toward the end of the year, will generate an after-tax gain of about \$4 billion, Citigroup said.

Credit Mutuel, one of France's largest banks by branches, and a mortgage-loan specialist, outbid **Deutsche Bank** AG to gain control of one of Germany's leading consumer-credit houses. The unit, Citibank Deutschland, has 6,700 employees, 3.3 million clients, 340 branches and 7% of the German consumer-credit market. The deal excludes Citigroup's corporate and investment-banking operations in Germany.