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FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045-0001

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April 9, 2007

BY HAND

Board of Directors
Citigroup Inc.
399 Park Avenue
3rd Floor
New York, N.Y. 10043

Enveloped Addressed:
C/O
Charles Prince
Chairman

Dear Board Members:

Enclosed please find our annual report of inspection for Citigroup Inc. (Citigroup), prepared by the Federal Reserve Bank of New York, as of December 31, 2006. The report conveys an overall assessment of Citigroup and outlines issues that are in need of management attention. Our findings are based on the results of continuous monitoring efforts, specific target exams conducted throughout the year, and assessments made by primary bank and functional regulators.

Our findings confirm that Citigroup remains in satisfactory condition with a composite rating of '2.' The risk management component is rated 'satisfactory.' The financial condition component is rated 'strong' and the potential negative impact of non-depository entities on subsidiary depository institutions is considered limited.

The risk management assessment for 2006 is reflective of a control environment where the risks facing Citigroup continue to be managed in a satisfactory manner. During 2006, all formal restrictions and enforcement actions between the Federal Reserve and Citigroup were lifted. Board and senior management remain actively engaged in improving relevant processes specific to compliance monitoring, testing and reporting (MTR), anti-money laundering (AML) efforts and information security (IS), among others.

As you are aware, representatives of this Reserve Bank plan to meet with you on April 16, 2007 to discuss our current assessment of Citigroup. After you have had an opportunity to review the report, and within 60 days of the receipt of this letter, we would appreciate receiving management's written response to the matters discussed therein.

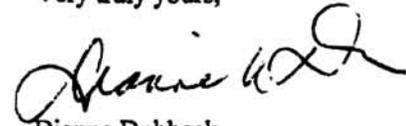
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In closing, please note that this letter contains confidential examination material that should be treated accordingly by your organization. As such, the contents of this letter and the enclosed report are subject to the rules of the Board of Governors of the Federal Reserve System regarding disclosure of confidential supervisory information.

Very truly yours,



Dianne Dobbeck
Vice President
Central Point of Contact

Enclosures