EXHIBIT 5

TO DECLARATION OF DENNIS M. KELLEHER IN SUPPORT OF MEMORANDUM IN OPPOSITION TO PROPOSED SETTLEMENT

(TA EX. 5)

THE WALL STREET JOURNAL.
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Citigroup to Pay $285 Million to Settle Fraud Charges

By JEAN EAGLESHAM And SUZANNE KAPNER

Wall Street's total price tag on settlements with U.S. securities regulators for allegedly misleading investors about mortgage bonds churned out ahead of the financial crisis surged past $1 billion with a deal by Citigroup Inc. to pay $285 million.

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Deal Journal: Citi's CDO Settlement by the Numbers

The New York company agreed to the payment to end civil-fraud charges by the Securities and Exchange Commission related to a 2007 deal called Class V Funding III. The SEC claimed Citigroup sold slices of the $1 billion mortgage-bond deal without disclosing to investors that the bank was shorting $500 million of the deal, or betting its assets would lose value.

Several Wall Street firms have settled similar claims by the SEC, which has generally stuck to the strategy used by the agency to get a $550 million settlement last year with Goldman Sachs Group Inc. over a collateralized debt obligation called Abacus 2007-AC1.

And the SEC's investigation of the Wall Street mortgage machine isn't over yet. Lorin Reisner, deputy enforcement director at the SEC, said civil mortgage-related cases against Goldman, J.P. Morgan Chase & Co., Countrywide Financial Corp., New Century Financial Corp. and other companies "read like an index to unlawful conduct in connection with the financial crisis." He added in an email: "Our work in this space is continuing."

As a result of the deal with Citigroup announced Wednesday, the SEC has collected a total of $1.03 billion through mortgage-bond-deal settlements. In addition to Citigroup, the total includes Goldman, J.P. Morgan, Royal Bank of Canada, Wells Fargo & Co. and Credit Suisse Group AG.

The companies neither admitted nor denied wrongdoing.

According to the SEC, Citigroup helped to rig the bet on Class V Funding III in its favor by exercising "significant influence" over the selection of $500 million of the assets, according to the agency's civil complaint. The agency said investors were assured that the assets were selected by the deal's collateral manager, a unit of Credit Suisse.

The assets in the deal, a CDO, were linked largely to other CDOs that in turn invested in pools of subprime mortgages. The SEC complaint quoted one unnamed, experienced CDO trader outside Citi who described the portfolio as "a collection of "dogs—" and "possibly the best short EVER!"

The deal became largely worthless within months of its creation, the SEC said. As a result, about 15 hedge funds, investment managers and other firms that invested in the deal lost hundreds of millions of dollars, while Citigroup made $160 million in fees and trading profits, the SEC said.

The biggest loser, with a $500 million stake from guarantees sold on the deal, was insurer Ambac, part of Ambac Financial Group Inc., which collapsed because of its exposure to billions of dollars of mortgage-linked investments that went sour, according to the SEC.

The assets that Citigroup helped to select performed "significantly worse" than others in the CDO, according to the SEC's complaint.

Citigroup said Wednesday that it suffered some losses on more than $100 million invested by the company in Class V Funding III, while profiting from its bet against $500 million of the portfolio. Citigroup added that it had "very substantial losses" on investments in other CDOs.

Citigroup said it was pleased to resolve the matter. The SEC also filed civil charges of negligence against Brian Stoker, referred to by the agency as the Citigroup employee primarily responsible for structuring the CDO. The SEC alleged that Mr. Stoker described Class V Funding III as a "prop," or proprietary deal, meaning a trade undertaken for the firm's own account, rather than to benefit its customers.

The SEC complaint quoted from an email Mr. Stoker allegedly sent to his supervisor as the deal was being discussed in November 2006, writing that Credit Suisse "agreed to terms even though they don't get to pick the assets."

Mr. Stoker's lawyer, Fraser Hunter of law firm Wilmer Hale Cutler Pickering Hale Dorr LLP, said there was "no basis for the SEC to blame" his client for the alleged disclosure failures to investors. "He was not responsible for any alleged wrongdoing, he did not control or trade the position, did not prepare the disclosures and did not select the assets," Mr. Hunter said. "We will vigorously defend this lawsuit."

If it goes to trial, Mr. Hunter's case is due to be heard by U.S. District Judge Jed Rakoff. Judge Rakoff, who also must approve the Citigroup agreement, has previously criticized the SEC's approach to certain enforcement actions.

Credit Suisse agreed to pay a total of $2.5 million to settle civil charges in relation to the CDO. It didn't admit or deny wrongdoing. The Swiss bank doesn't expect to face enforcement action from the SEC in relation to CDOs that it created or marketed, according to a person familiar with the matter. A spokesman for Credit Suisse declined to comment.

The SEC also filed civil-fraud charges against Samir Bhatt, a former Credit Suisse employee. Mr. Bhatt agreed to a six-month suspension from associating with any investment adviser, as part of an agreement to settle the charges. He didn't admit or deny wrongdoing. Mr. Bhatt's lawyer, James Masella of law firm Blank Rome LLP, declined to comment.

EXHIBIT 6

TO DECLARATION OF DENNIS M. KELLEHER IN SUPPORT OF MEMORANDUM IN OPPOSITION TO PROPOSED SETTLEMENT

(TA EX. 6)

The Washington Post

Back to previous page

Citigroup has agreed to pay $285M to investors in negligence suit, SEC says

By David S. Hilzenrath, Published: October 19

Federal regulators charged a Citigroup unit with negligence Wednesday, saying it sold a $1 billion investment product tied to the weakening housing market in 2007 without telling investors it was using the instrument to bet against them.

Citigroup agreed to pay a settlement of $285 million, which will be distributed to investors, the Securities and Exchange Commission said. Under the settlement, which is subject to court approval, Citigroup neither admitted nor denied wrongdoing.

It was another in a series of SEC actions alleging that, as the real estate market began to tank, Wall Street firms sold deteriorating assets by misleading investors.

The Citigroup deal, known as a collateralized debt obligation (CDO), was marketed in early 2007 and was built upon investments in subprime mortgages.

Although it led investors to believe that another firm had chosen the assets from which the CDO was assembled, Citigroup participated in the selection, the SEC said. Then it placed a bet that would allow it to profit if the value of the assets declined, the SEC said.

By November 2007, the CDO was in default.

Investors "lost several hundred million dollars," the SEC said. An agency spokesman would not be more specific. Citigroup reaped fees and trading profits of "at least $160 million," the SEC said in a court filing.

"The securities laws demand that investors receive more care and candor than Citigroup provided to these CDO investors," Robert Khuzami, the SEC's director of enforcement, said in a statement.

Citigroup noted in a statement that the SEC did not charge it with intentional or reckless misconduct.

"We are pleased to put this matter behind us and are focused on contributing to the economic recovery, serving our clients and growing responsibly," the firm said.

The SEC also charged a former Citigroup employee with negligence-based fraud. Brian H. Stoker, 40, was a director in Citigroup's CDO structuring group and the person primarily responsible for structuring the investment at issue, the SEC said.

Stoker is fighting the SEC lawsuit. An attorney for Stoker, Fraser Hunter, said there was no basis for the agency to blame him. "He was not responsible for any alleged wrongdoing.He did not control or trade the position, did not prepare the disclosures and did not select the assets," Hunter said.

In February 2007, Stoker negotiated a salary of $150,000 and a guaranteed bonus of $2.25 million, the SEC said.

The SEC lawsuit against Stoker said he knew or should have known that the way Citigroup used the CDO "would operate as a fraud upon the investors."

No other individuals at Citigroup were charged. But the SEC's court filings described the involvement of other unnamed personnel at the firm.

In late 2006, the SEC said, Stoker sent his supervisor an e-mail referring to the role of Credit Suisse Alternative Capital (CSAC), the firm that ostensibly chose the assets for the CDO. In the e-mail, Stoker said CSAC "agreed to terms even though they don't get to pick the assets," the SEC said. The e-mail also said "don't tell CSAC" that the deal was a Citigroup "prop trade," apparently meaning proprietary trade, according to the SEC.

An SEC lawsuit also said "Citigroup structurers responsible
for the marketing documents should have known" that the description of CSAC's role "was misleading."

The SEC said Credit Suisse shared responsibility for the disclosure failure, and in a related administrative settlement, Credit Suisse units agreed to pay $2.5 million. They neither admitted nor denied wrongdoing.

The Credit Suisse portfolio manager chiefly responsible for the Citigroup transaction, Samir H. Bhatt, settled administrative charges without admitting or denying wrongdoing, the SEC said. He agreed to pay $50,000 and to be suspended for six months from working for any investment adviser firm, the SEC said.

In settlements to similar SEC cases, Goldman Sachs agreed last year to pay $550 million, and J.P. Morgan agreed this year to pay $153.6 million.

The largest investor in the Citigroup CDO was bond insurer Ambac, the SEC said. Ambac, which was weakened by the mortgage meltdown, last year sought bankruptcy protection.

Citigroup has a history of being sanctioned by the SEC. The firm last year agreed to pay $75 million in an SEC settlement for allegedly withholding from investors information about its own exposure to subprime mortgages. In 2008, Citigroup Global Markets, the same unit involved in Wednesday's case, settled an SEC complaint that it misled investors about instruments known as auction rate securuties.

In 2003, Citigroup Global Markets settled SEC allegations that it published false or misleading investment research reports. That settlement featured a staple of SEC enforcement: a provision that "permanently restrains and enjoins" the firm from violating particular SEC rules.

In Wednesday's action, the SEC asked a court to enter a new judgment "Permanently restraining and enjoning Citigroup Global Markets" from violating specific rules.

EXHIBIT 7

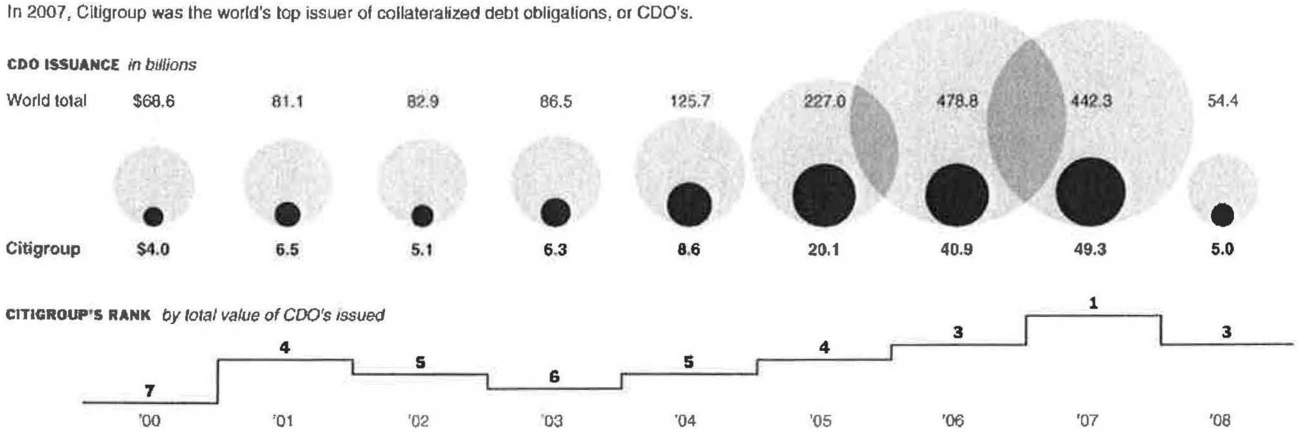
TO DECLARATION OF DENNIS M. KELLEHER IN SUPPORT OF MEMORANDUM IN OPPOSITION TO PROPOSED SETTLEMENT

(TA EX. 7)

The New York Times
November 22, 2008

Citigroup and CDO'S

In 2007, Citigroup was the world's top issuer of collateralized debt obligations, or CDO's.



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THE NEW YORK TIMES

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November 23, 2008

THE RECKONING

Citigroup Saw No Red Flags Even as It Made Bolder Bets

By ERIC DASH and JULIE CRESWELL

"Our job is to set a tone at the top to incent people to do the right thing and to set up safety nets to catch people who make mistakes or do the wrong thing and correct those as quickly as possible. And it is working. It is working."

Charles O. Prince III, Citigroup's chief executive, in 2006

In September 2007, with Wall Street confronting a crisis caused by too many souring mortgages, Citigroup executives gathered in a wood-paneled library to assess their own well-being.

There, Citigroup's chief executive, Charles O. Prince III, learned for the first time that the bank owned about $43 billion in mortgage-related assets. He asked Thomas G. Maheras, who oversaw trading at the bank, whether everything was O.K.

Mr. Maheras told his boss that no big losses were looming, according to people briefed on the meeting who would speak only on the condition that they not be named.

For months, Mr. Maheras's reassurances to others at Citigroup had quieted internal concerns about the bank's vulnerabilities. But this time, a risk-management team was dispatched to more rigorously examine Citigroup's huge mortgage-related holdings. They were too late, however: within several weeks, Citigroup would announce billions of dollars in losses.

Normally, a big bank would never allow the word of just one executive to carry so much weight. Instead, it would have its risk managers aggressively look over any shoulder and guard against trading or lending excesses.

But many Citigroup insiders say the bank's risk managers never investigated deeply enough. Because of longstanding ties that clouded their judgment, the very people charged with overseeing deal makers eager to increase short-term earnings — and executives' multimillion-dollar bonuses — failed to rein them in, these insiders say.

Today, Citigroup, once the nation's largest and mightiest financial institution, has been brought to its knees by more than $65 billion in losses, write-downs for troubled assets and charges to account for future losses. More than half of that amount stems from mortgage-related securities created by Mr. Maheras's team — the same products Mr. Prince was briefed on during that 2007 meeting.

Citigroup's stock has plummeted to its lowest price in more than a decade, closing Friday at $3.77. At that price the company is worth just $20.5 billion, down from $244 billion two years ago. Waves of layoffs have accompanied that slide, with about 75,000 jobs already gone or set to disappear from a work force that numbered about 375,000 a year ago.

Burdened by the losses and a crisis of confidence, Citigroup's future is so uncertain that regulators in New York and Washington held a series of emergency meetings late last week to discuss ways to help the bank right itself.

And as the credit crisis appears to be entering another treacherous phase despite a $700 billion federal bailout, Citigroup's woes are emblematic of the haphazard management and rush to riches that enveloped all of Wall Street. All across the banking business, easy profits and a booming housing market led many prominent financiers to overlook the dangers they courted.

While much of the damage inflicted on Citigroup and the broader economy was caused by errant, high-octane trading and lax oversight, critics say, blame also reaches into the highest levels at the bank. Earlier this year, the Federal Reserve took the bank to task for poor oversight and risk controls in a report it sent to Citigroup.

The bank's downfall was years in the making and involved many in its hierarchy, particularly Mr. Prince and Robert E. Rubin, an influential director and senior adviser.

Citigroup insiders and analysts say that Mr. Prince and Mr. Rubin played pivotal roles in the bank's current woes, by drafting and blessing a strategy that involved taking greater trading risks to expand its business and reap higher profits. Mr. Prince and Mr. Rubin both declined to comment for this article.

When he was Treasury secretary during the Clinton administration, Mr. Rubin helped loosen Depression-era banking regulations that made the creation of Citigroup possible by allowing banks to expand far beyond their traditional role as lenders and permitting them to profit from a variety of financial activities. During the same period he helped beat back tighter oversight of exotic financial products, a development he had previously said he was helpless to prevent.

And since joining Citigroup in 1999 as a trusted adviser to the bank's senior executives, Mr. Rubin, who is an economic adviser on the transition team of President-elect Barack Obama, has sat atop a bank that has been roiled by one financial miscue after another.

Citigroup was ensnared in murky financial dealings with the defunct energy company Enron, which drew the attention of federal investigators; it was criticized by law enforcement officials for the role one of its prominent research analysts played during the telecom bubble several years ago; and it found itself in the middle of regulatory violations in Britain and Japan.

For a time, Citigroup's megabank model paid off handsomely, as it rang up billions in earnings each quarter from credit cards, mortgages, merger advice and trading.

But when Citigroup's trading machine began churning out billions of dollars in mortgage-related securities, it courted disaster. As it built up that business, it used accounting maneuvers to move billions of dollars of the troubled assets off its books, freeing capital so the bank could grow even larger. Because of pending accounting changes, Citigroup and other banks have been bringing those assets back in-house, raising concerns about a new round of potential losses.

To some, the misery at Citigroup is no surprise. Lynn Turner, a former chief accountant with the Securities and Exchange Commission, said the bank's balkanized culture and pell-mell management made problems inevitable.

"If you're an entity of this size," he said, "if you don't have controls, if you don't have the right culture and you don't have people accountable for the risks that they are taking, you're Citigroup."

Questions on Oversight

Though they carry less prestige and are paid less than Wall Street traders and bankers, risk managers can wield significant clout. Their job is to monitor trading floors and inquire about how a bank's money is being invested, so they can head off potential problems before blow-ups occur. Though risk managers and traders work side by side, they can have an uncomfortable coexistence because the monitors can put a brake on trading.

That is the way it works in theory. But at Citigroup, many say, it was a bit different.

David C. Bushnell was the senior risk officer who, with help from his staff, was supposed to keep an eye on the bank's bond trading business and its multibillion-dollar portfolio of mortgage-backed securities. Those activities were part of what the bank called its fixed-income business, which Mr. Maheras supervised.

One of Mr. Maheras's trusted deputies, Randolph H. Barker, helped oversee the huge build-up in mortgage-related securities at Citigroup. But Mr. Bushnell, Mr. Maheras and Mr. Barker were all old friends, having climbed the bank's corporate ladder together.

It was common in the bank to see Mr. Bushnell waiting patiently — sometimes as long as 45 minutes — outside Mr. Barker's office so he could drive him home to Short Hills, N.J., where both of their families lived. The two men took occasional fly-fishing trips together; one expedition left them stuck on a lake after their boat ran out of gas.

Because Mr. Bushnell had to monitor traders working for Mr. Barker's bond desk, their friendship raised eyebrows inside the company among those concerned about its controls.

After all, traders' livelihoods depended on finding new ways to make money, sometimes using methods that might not be in the bank's long-term interests. But insufficient boundaries were established in the bank's fixed-income unit to limit potential conflicts of interest involving Mr. Bushnell and Mr. Barker, people inside the bank say.

Indeed, some at Citigroup say that if traders or bankers wanted to complete a potentially profitable deal, they could sometimes rely on Mr. Barker to convince Mr. Bushnell that it was a risk worth taking.

Risk management "has to be independent, and it wasn't independent at Citigroup, at least when it came to fixed income," said one former executive in Mr. Barker's group who, like many other people interviewed for this article, insisted on anonymity because of pending litigation against the bank or to retain close ties to their colleagues. "We used to say that if we wanted to get a deal done, we needed to convince Randy first because he could get it through."

Others say that Mr. Bushnell's friendship with Mr. Maheras may have presented a similar blind spot.

"Because he has such trust and faith in these guys he has worked with for years, he didn't ask the right questions," a former senior Citigroup executive said, referring to Mr. Bushnell.

Mr. Bushnell and Mr. Barker did not return repeated phone calls seeking comment. Mr. Maheras declined to comment.

For some time after Sanford I. Weill, an architect of the merger that created Citigroup a decade ago, took control of Citigroup, he toned down the bank's bond trading. But in late 2002, Mr. Prince, who had been Mr. Weill's longtime legal counsel, was put in charge of Citigroup's corporate and investment bank.

According to a former Citigroup executive, Mr. Prince started putting pressure on Mr. Maheras and others to increase earnings in the bank's trading operations, particularly in the creation of collateralized debt obligations, or C.D.O.'s — securities that packaged mortgages and other forms of debt into bundles for resale to investors.

Because C.D.O.'s included so many forms of bundled debt, gauging their risk was particularly tricky; some parts of the bundle could be sound, while others were vulnerable to default.

"Chuck Prince going down to the corporate investment bank in late 2002 was the start of that process," a former Citigroup executive said of the bank's big C.D.O. push. "Chuck was totally new to the job. He didn't know a C.D.O. from a grocery list, so he looked for someone for advice and support. That person was Rubin. And Rubin had always been an advocate of being more aggressive in the capital markets arena. He would say, 'You have to take more risk if you want to earn more.' "

It appeared to be a good time for building up Citigroup's C.D.O. business. As the housing market around the country took flight, the C.D.O. market also grew apace as more and more mortgages were pooled together into newfangled securities.

From 2003 to 2005, Citigroup more than tripled its issuing of C.D.O.'s, to more than $20 billion from $6.28 billion, and Mr. Maheras, Mr. Barker and others on the C.D.O. team helped transform Citigroup into one of the industry's biggest players. Firms issuing the C.D.O.'s generated fees of 0.4 percent to 2.5 percent of the amount sold — meaning Citigroup made up to $500 million in fees from the business in 2005 alone.

Even as Citigroup's C.D.O. stake was expanding, its top executives wanted more profits from that business. Yet they were not running a bank that was up to all the challenges it faced, including properly overseeing billions of dollars' worth of exotic products, according to Citigroup insiders and regulators who later criticized the bank.

When Mr. Prince was put in charge in 2003, he presided over a mess of warring business units and operational holes, particularly in critical areas like risk-management and controls.

"He inherited a gobbledygook of companies that were never integrated, and it was never a priority of the company to invest," said Meredith A. Whitney, a banking analyst who was one of the company's early critics. "The businesses didn't communicate with each other. There were dozens of technology systems and dozens of financial ledgers."

Problems with trading and banking oversight at Citigroup became so dire that the Federal Reserve took the unusual step of telling the bank it could make no more acquisitions until it put its house in order.

In 2005, stung by regulatory rebukes and unable to follow Mr. Weill's penchant for expanding Citigroup's holdings through rapid-fire takeovers, Mr. Prince and his board of directors decided to push even more aggressively into trading and other business that would allow Citigroup to continue expanding the bank internally.

One person who helped push Citigroup along this new path was Mr. Rubin.

Pushing Growth

Robert Rubin has moved seamlessly between Wall Street and Washington. After making his millions as a trader and an executive at Goldman Sachs, he joined the Clinton administration.

Mr. Weill, as Citigroup's chief, wooed Mr. Rubin to join the bank after Mr. Rubin left Washington. Mr. Weill had been involved in the financial services industry's lobbying to persuade Washington to loosen its regulatory hold on Wall Street.

As chairman of Citigroup's executive committee, Mr. Rubin was the bank's resident sage, advising top executives and serving on the board while, he insisted repeatedly, steering clear of daily management issues.

"By the time I finished at Treasury, I decided I never wanted operating responsibility again," he said in an interview in April. Asked then whether he had made any mistakes during his tenure at Citigroup, he offered a tentative response.

"I've thought a lot about that," he said. "I honestly don't know. In hindsight, there are a lot of things we'd do differently. But in the context of the facts as I knew them and my role, I'm inclined to think probably not."

Besides, he said, it was impossible to get a complete handle on Citigroup's vulnerabilities unless you dealt with the trades daily.

"There is no way you would know what was going on with a risk book unless you're directly involved with the trading arena," he said. "We had highly experienced, highly qualified people running the operation."

But while Mr. Rubin certainly did not have direct responsibility for a Citigroup unit, he was an architect of the bank's strategy.

In 2005, as Citigroup began its effort to expand from within, Mr. Rubin peppered his colleagues with questions as they formulated the plan. According to current and former colleagues, he believed that Citigroup was falling behind rivals like Morgan Stanley and Goldman, and he pushed to bulk up the bank's high-growth fixed-income trading, including the C.D.O. business.

Former colleagues said Mr. Rubin also encouraged Mr. Prince to broaden the bank's appetite for risk, provided that it also upgraded oversight — though the Federal Reserve later would conclude that the bank's oversight remained inadequate.

Once the strategy was outlined, Mr. Rubin helped Mr. Prince gain the board's confidence that it would work.

After that, the bank moved even more aggressively into C.D.O.'s. It added to its trading operations and snagged crucial people from competitors. Bonuses doubled and tripled for C.D.O. traders. Mr. Barker drew pay totaling $15 million to $20 million a year, according to former colleagues, and Mr. Maheras became one of Citigroup's most highly compensated employees, earning as much as $30 million at the peak — far more than top executives like Mr. Bushnell in the risk-management department.

In December 2005, with Citigroup diving into the C.D.O. business, Mr. Prince assured analysts that all was well at his bank.

"Anything based on human endeavor and certainly any business that involves risk-taking, you're going to have problems from time to time," he said. "We will run our business in a way where our credibility and our reputation as an institution with the public and with our regulators will be an asset of the company and not a liability."

Yet as the bank's C.D.O. machine accelerated, its risk controls fell further behind, according to former Citigroup traders, and risk managers lacked clear lines of reporting. At one point, for instance, risk managers in the fixed-income division reported to both Mr. Maheras and Mr. Bushnell — setting up a potential conflict because that gave Mr. Maheras influence over employees who were supposed to keep an eye on his traders.

C.D.O.'s were complex, and even experienced managers like Mr. Maheras and Mr. Barker underestimated the risks they posed, according to people with direct knowledge of Citigroup's business. Because of that, they put blind faith in the passing grades that major credit-rating agencies bestowed on the debt.

While the sheer size of Citigroup's C.D.O. position caused concern among some around the trading desk, most say they kept their concerns to themselves.

"I just think senior managers got addicted to the revenues and arrogant about the risks they were running," said one person who worked in the C.D.O. group. "As long as you could grow revenues, you could keep your bonus growing."

To make matters worse, Citigroup's risk models never accounted for the possibility of a national housing downturn, this person said, and the prospect that millions of homeowners could default on their mortgages. Such a downturn did come, of course, with disastrous consequences for Citigroup and its rivals on Wall Street.

Even as the first shock waves of the subprime mortgage crisis hit Bear Stearns in June 2007, Citigroup's top executives expressed few concerns about their bank's exposure to mortgage-linked securities.

In fact, when examiners from the Securities and Exchange Commission began scrutinizing Citigroup's subprime mortgage holdings after Bear Stearns's problems surfaced, the bank told them that the probability of those mortgages defaulting was so tiny that they excluded them from their risk analysis, according to a person briefed on the discussion who would speak only without being named.

Later that summer, when the credit markets began seizing up and values of various C.D.O.'s began to plummet, Mr. Maheras, Mr. Barker and Mr. Bushnell participated in a meeting to review Citigroup's exposure.

The slice of mortgage-related securities held by Citigroup was "viewed by the rating agencies to have an extremely low probability of default (less than .01%)," according to Citigroup slides used at the meeting and reviewed by The New York Times.

Around the same time, Mr. Maheras continued to assure his colleagues that the bank "would never lose a penny," according to an executive who spoke to him.

In mid-September 2007, Mr. Prince convened the meeting in the small library outside his office to gauge Citigroup's exposure.

Mr. Maheras assured the group, which included Mr. Rubin and Mr. Bushnell, that Citigroup's C.D.O. position was safe. Mr. Prince had never questioned the ballooning portfolio before this because no one, including Mr. Maheras and Mr. Bushnell, had warned him.

But as the subprime market plunged further, Citigroup's position became more dire — even though the firm held onto the belief that its C.D.O.'s were safe.

On Oct. 1, it warned investors that it would write off $1.3 billion in subprime mortgage-related assets. But of the $43 billion in C.D.O.'s it had on its books, it wrote off only about $95 million, according to a person briefed on the situation.

Soon, however, C.D.O. prices began to collapse. Credit-rating agencies downgraded C.D.O.'s, threatening Citigroup's stockpile. A week later, Merrill Lynch aggressively marked down similar securities, forcing other banks to face reality.

By early November, Citigroup's anticipated write-downs ballooned to $8 billion to $11 billion. Mr. Barker and Mr. Maheras lost their jobs, as Mr. Bushnell did later on. And on Nov. 4, Mr. Prince told the board that he, too, would resign.

Although Mr. Prince received no severance, he walked away with Citigroup stock valued then at $68 million — along with a cash bonus of about $12.5 million for 2007.

Putting Out Fires

Mr. Prince was replaced last December by Vikram S. Pandit, a former money manager and investment banker whom Mr. Rubin had earlier recruited in a senior role. Since becoming chief executive, Mr. Pandit has been scrambling to put out fires and repair Citigroup's deficient risk-management systems.

Earlier this year, Federal Reserve examiners quietly presented the bank with a scathing review of its risk-management practices, according to people briefed on the situation.

Citigroup executives responded with a 25-page single-spaced memo outlining a sweeping overhaul of the bank's risk management.

In May, Brian Leach, Citigroup's new chief risk officer, told analysts that his bank had greatly improved oversight and installed several new risk managers. He said he wanted to ensure "that Citi takes the lessons learned from recent events and makes critical enhancements to its risk management frameworks. A change in culture is required at Citi."

Meanwhile, regulators have criticized the banking industry as a whole for relying on outsiders — in particular the ratings agencies — to help them gauge the risk of their investments.

"There is really no excuse for institutions that specialize in credit risk assessment, like large commercial banks, to rely solely on credit ratings in assessing credit risk," John C. Dugan, the head of the Office of the Comptroller of the Currency, the chief federal bank regulator, said in a speech earlier this year.

But he noted that what caused the largest problem for some banks was that they retained dangerously big positions in certain securities — like C.D.O.'s — rather than selling them off to other investors.

"What most differentiated the companies sustaining the biggest losses from the rest was their willingness to hold exceptionally large positions on their balance sheets which, in turn, led to exceptionally large losses," he said.

Mr. Dugan did not mention any specific bank by name, but Citigroup is the largest player in the C.D.O. business of any bank the comptroller regulates.

For his part, Mr. Pandit faces the twin challenge of rebuilding investor confidence while trying to fix the company's myriad problems.

Citigroup has suffered four consecutive quarters of multibillion-dollar losses as it has written down billions of dollars of the mortgage-related assets it held on its books.

But investors worry there is still more to come, and some board members have raised doubts about Mr. Pandit's leadership, according to people briefed on the situation.

Citigroup still holds $20 billion of mortgage-linked securities on its books, the bulk of which have been marked down to between 21 cents and 41 cents on the dollar. It has billions of dollars of giant buyout and corporate loans. And it also faces a potential flood of losses on auto, mortgage and credit card loans as the global economy plunges into a recession.

Also, hundreds of billions of dollars in dubious assets that Citigroup held off its balance sheet is now starting to be moved back onto its books, setting off yet another potential problem.

The bank has already put more than $55 billion in assets back on its balance sheet. It now says an added $122 billion of assets related to credit cards and possibly billions of dollars of other assets will probably come back on the books.

Even though Citigroup executives insist that the bank can ride out its current difficulties, and that the repatriated assets pose no threat, investors have their doubts. Because analysts do not have a complete grip on the quality of those assets, they are warning that Citigroup may have to set aside billions of dollars to guard against losses.

In fact, some analysts say they believe that the $25 billion that the federal government invested in Citigroup this fall might not be enough to stabilize it.

Others say the fact that such huge amounts have yet to steady the bank is a reflection of the severe damage caused by Citigroup's appetites.

"They pushed to get earnings, but in doing so, they took on more risk than they probably should have if they are going to be, in the end, a bank subject to regulatory controls," said Roy Smith, a professor at the Stern School of Business at New York University. "Safe and soundness has to be no less important than growth and profits but that was subordinated by these guys."

EXHIBIT 8

TO DECLARATION OF DENNIS M. KELLEHER IN SUPPORT OF MEMORANDUM IN OPPOSITION TO PROPOSED SETTLEMENT

(TA EX. 8)

CITI REPORTS FIRST QUARTER INCOME OF $5.01 BILLION, EPS OF $1.01

RECORD REVENUES OF $25.5 BILLION, UP 15%

INTERNATIONAL REVENUES UP 18%

RECORD REVENUES AND NET INCOME IN MARKETS & BANKING AND WEALTH MANAGEMENT

RESULTS INCLUDE PREVIOUSLY ANNOUNCED CHARGE OF $871 MILLION AFTER-TAX RELATED TO STRUCTURAL EXPENSE REVIEW. EXCLUDING THE CHARGE, INCOME WAS $5.88 BILLION, OR $1.18 PER SHARE

New York, NY, April 16, 2007 — Citigroup Inc. (NYSE:C) today reported net income for the 2007 first quarter of $5.01 billion, or $1.01 per share. Results include a previously disclosed charge of $1.38 billion, or $871 million after-tax, related to a structural expense review conducted during the quarter. Excluding the charge, net income was $5.88 billion, or $1.18 per share. Return on common equity was 17.1%.

Management Comment

"We generated strong momentum this quarter, with revenues increasing 15% to a record, driven by growing customer business volumes. Global consumer deposits were up 12% and global consumer loans grew 11%. In our international franchises, revenues grew 18%, led by international markets & banking revenue up 20%. Our revenue growth combined with improving expense management and, after adjusting for certain non-recurring items, we generated positive operating leverage. Offsetting our improved revenue and expense performance were higher credit costs and a lower level of tax benefits than last year," said Charles Prince, Chairman and Chief Executive Officer of Citi.

"We continued to invest in expanding our distribution and enhancing our technology as we build a broad, strong foundation for future growth. We also announced the acquisition of Egg, Ltd. in the U.K., the world's largest internet bank, and we launched a tender offer to acquire 100% of Nikko Cordial in Japan, consistent with our effort to drive growth through a balance of organic investment and targeted acquisitions and expand internationally," said Prince.

"We achieved these results while completing our structural expense review, which will help us become a leaner, more efficient organization and lower our rate of expense growth. As we look ahead, our priorities are clear: we will invest to grow and integrate our businesses, take actions to improve efficiency and lower costs, and continue to build momentum across our franchises," said Prince.

Citi First Quarter 2007 Segment Results

	Revenues		%	Net Income		%
(In Millions of Dollars, except EPS)	**2007**	2006	Change	**2007**	2006	Change
Global Consumer	**$13,106**	$11,955	10%	**$2,633**	$3,073	(14)%
Markets & Banking	**8,957**	7,279	23	**2,621**	1,929	36
Global Wealth Management	**2,818**	2,483	13	**448**	287	56
Alternative Investments	**562**	675	(17)	**222**	353	(37)
Corporate/Other	**16**	(209)	NM	**(912)**	(87)	NM
Results from Continuing Operations	**$25,459**	$22,183	15%	**$5,012**	$5,555	(10)%
Discontinued Operations				**-**	84	
Total Citigroup				**$5,012**	$5,639	(11)%
Earnings per Share from Continuing Operations				**$1.01**	$1.11	(9)%
Earnings per Share				**$1.01**	$1.12	(10)%

NM Not meaningful

FIRST QUARTER SUMMARY

- **Revenues** were a record, up 15%, driven by 23% revenue growth in markets & banking, including record revenues in fixed income and equity markets, investment banking and transaction services. International consumer revenues grew 14% and global wealth management revenues were a record, up 13%. U.S. consumer revenue growth continued to trend positively, up 6%.
  - Revenue growth reflected customer volume growth. Deposits and loans grew 18% and 15%, respectively. In global consumer, AUMs increased 12%. Securities and banking ranked #1 in global debt and equity underwriting and #2 in completed M&A for the first quarter. In global wealth management, client assets under fee-based management grew 13% and client capital in alternative investments grew 52%.
  - Net interest revenues grew 8% as volume growth was partially offset by net interest margin compression.
  - Excluding the impact of gray zone in Japan consumer finance, the net interest margin declined 14 basis points versus the fourth quarter 2006, with slightly less than half of the decline in trading portfolios.
- **Operating expenses** increased 17%, including a $1.38 billion charge related to a structural expense review completed in the quarter. Excluding the charge, compensation accruals related to the revenue impact of adopting SFAS 157, and $648 million pre-tax in SFAS 123(R) accruals recorded in the prior-year period, expenses grew 10%, driven by increased business volumes and investment spending.
  - The company opened 99 new branches during the quarter, including 48 internationally and 51 in the U.S.
- **Credit costs** increased $1.26 billion, primarily driven by an increase in net credit losses of $509 million and a net charge of $597 million to increase loan loss reserves. The $597 million net charge compares to a net reserve release of $154 million in the prior-year period.
  - In U.S. consumer, higher credit costs reflected an increase in net credit losses of $164 million and a net charge of $182 million to increase loan loss reserves. The $182 million net charge compares to a net reserve release of $196 million in the prior-year period. Credit costs increased primarily in U.S. consumer lending and U.S. retail distribution, reflecting portfolio growth, an increase in delinquencies in second mortgages, and a change in estimate of loan losses inherent in the portfolio.
  - In international consumer, higher credit reflected an increase in net credit losses of $331 million and a net charge to increase loan loss reserves of $112 million. Higher credit costs primarily reflected portfolio growth, including target market expansion in Mexico cards and the integration of Credicard in Brazil, increased net credit losses in Japan consumer finance, and a change in estimate of loan losses inherent in the portfolio. The international consumer credit environment was generally stable.
  - Markets & banking credit costs increased primarily due to a net charge of $286 million to increase loan loss reserves due to portfolio growth, which includes higher commitments to leveraged transactions and an increase in average loan tenor. The $286 million net charge compares to a $33 million net charge to increase reserves in the prior-year period. The global corporate credit environment remained stable.
- **Taxes.** The effective tax rate on continuing operations was 26.9% versus 21.5% in the prior year period. The current period tax rate includes the impact of a charge related to the structural expense review and certain APB 23 benefits described below. The 2006 first quarter tax rate included a $598 million tax benefit on continuing operations, or $657 million in total, due to resolution of a federal audit.
- Share repurchases totaled $645 million, or approximately 12.1 million shares.
- **Summary of highlighted items.** During the quarter, the following charges and benefits were recorded:

(In Millions of Dollars)	Pre-Tax Impact	After-Tax Impact	Business
Charge related to structural expense review	$(1,377)	$(871)	Corporate/Other
Gain on sale of MasterCard shares	268	171	U.S. Cards, Int'l Cards, IRB
Adoption of SFAS 157 (Fair Value Measurements)	402	135 (1)	Securities and Banking
Tax benefits due to initial application of APB 23 to certain foreign subsidiaries	-	131	See Schedule A, page 9

(1) Includes the impact of compensation accruals.

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APPENDIX

GLOBAL CONSUMER GROUP

(In Millions of Dollars)	First Quarter Revenues 2007	2006	% Change	First Quarter Net Income 2007	2006	% Change
U.S. Cards	**$3,294**	$3,234	2%	**$897**	$926	(3)%
U.S. Retail Distribution	**2,426**	2,296	6	**388**	515	(25)
U.S. Consumer Lending	**1,551**	1,260	23	**359**	437	(18)
U.S. Commercial Business	**443**	470	(6)	**121**	126	(4)
Total U.S. Consumer	**$7,714**	$7,260	6%	**$1,765**	$2,004	(12)%
International Cards	**$1,739**	$1,280	36%	**$388**	$291	33%
International Consumer Finance	**890**	962	(7)	**25**	168	(85)
International Retail Banking	**2,759**	2,467	12	**540**	677	(20)
Total International Consumer	**$5,388**	$4,709	14%	**$953**	$1,136	(16)%
Other	**4**	(14)	NM	**(85)**	(67)	(27)
Global Consumer	**$13,106**	$11,955	10%	**$2,633**	$3,073	(14)%

NM Not meaningful.

- ***U.S. Cards***
  - Revenues increased 2%, driven by 11% growth in non-interest revenues, reflecting a higher level of securitized receivables and a $161 million pre-tax gain on the sale of MasterCard shares. Net interest revenues declined 14%, primarily due to a transfer of higher margin receivables to securitization trusts and net interest margin compression. Expenses decreased 3%.
  - Average managed loans grew 1%, driven by higher reward and private label card balances, including the addition of Federated card receivables.
  - The managed net credit loss ratio increased 73 basis points to 4.63%, primarily reflecting an increase in bankruptcy filings over unusually low filing levels experienced in the prior-year period.
  - Net income declined due to the absence of an $89 million tax benefit recorded on the prior-year period.
- ***U.S. Retail Distribution***
  - Revenues increased 6%, primarily driven by increased customer business volumes. Average deposits and loans grew 22% and 12%, respectively, and investment product sales grew 21%. Deposits in Citibank e-savings reached $12.9 billion. Volume growth was partially offset by lower net interest margins, reflecting increased e-savings and time deposit balances.
  - Expenses increased 8% on higher customer activity and investment in new branches. During the quarter, 30 consumer finance branches and 21 new Citibank branches were opened. Total branches increased 9% versus the prior year.
  - Net income declined due to higher credit costs and the absence of a $51 million tax benefit recorded in the prior-year period. Higher credit costs were primarily driven by increased loan volumes, and the absence of a loan loss reserve release recorded in the prior-year period. The net credit loss ratio increased 19 basis points to 2.85%.
- ***U.S. Consumer Lending***
  - Revenues increased 23%, driven by growth in net interest revenues and net servicing revenues, and higher gains on sales of securities. Net interest revenues increased 12%, as growth in average loans, up 16%, offset lower net interest margins.
  - Higher credit costs reflected increased net credit losses and an increase in loan loss reserves due to portfolio growth, seasoning, and increased delinquencies in second mortgages. The net credit loss ratio in real estate lending increased 14 basis points to 0.33%.
  - Net income declined 18% due to higher credit costs and the absence of a $31 million tax benefit recorded in the prior-year period.

- ***U.S. Commercial Business***
  - Revenues declined as increased loan and deposit balances, up 8% and 12%, respectively, were offset by lower net interest margins and an increase in the mix of tax-advantaged revenues.
  - Net income decreased 4%, as higher credit costs reflected increased net credit losses due to portfolio growth and the absence of a loan loss reserve release recorded in the prior-year period. The tax benefit was due to an increase in tax-advantaged revenues.

- ***International Cards***
  - Revenue and net income growth was driven by higher purchase sales and average loans, up 25% and 28%, respectively, and improved net interest margins. Results include the integration of Credicard in Brazil and the acquisition of Grupo Financiero Uno (GFU) in Central America. Revenues also include a $66 million pre-tax gain on the sale of MasterCard shares.
  - Expenses grew 33%, reflecting the integration of Credicard and GFU, continued investment in organic growth and higher customer activity.
  - Credit costs increased 30%, primarily driven by target market expansion in Mexico and the integration of Credicard. The net credit loss rate increased 135 basis points to 4.99%.

- ***International Consumer Finance***
  - In Japan, revenues and net income declined due to increased customer refunds and credit costs, reflecting recent changes in the operating environment and the fourth quarter 2006 passage of new consumer lending laws. The revenue decline also reflects a narrowing of the target market. Lower revenues were partially offset by a decline in expenses, driven by a repositioning of the business that included closing 84 branches and 101 automated loan machines during the quarter.
  - Outside of Japan, revenues increased 23%, driven by average loan growth of 25% and stable net interest margin. Net income declined as revenue growth was offset by increased investment spending, including the opening of 29 new branches, and an increase in credit costs due to portfolio growth. The net credit loss ratio decreased 1 basis point to 3.26%.

- ***International Retail Banking***
  - Revenues increased 12%, driven by increased deposits and loans, up 7% and 13%, respectively, and 33% growth in investment product sales. Loan growth was partially offset by net interest margin compression. Loan balances grew at a double-digit pace in Asia, EMEA and Latin America.
  - Expense growth reflected increased business volumes and continued investment spending. During the quarter, 19 new branches were opened.
  - Credit costs more than doubled due to an increase in loan loss reserves due to portfolio growth, the absence of loan loss reserve releases in the prior-year period, and a lower level of recoveries from portfolio sales versus the prior-year period. The net credit loss ratio increased 17 basis points to 1.38%.
  - Net income declined 20% reflecting higher credit costs, the absence of a $55 million tax benefit recorded in the prior-year period, and lower APB 23 tax benefits in Mexico.

MARKETS & BANKING

(In Millions of Dollars)	First Quarter Revenues 2007	2006	% Change	First Quarter Net Income 2007	2006	% Change
Securities and Banking (a)	**$7,313**	$5,896	24%	**$2,173**	$1,618	34%
Transaction Services	**1,645**	1,382	19	**447**	323	38
Other	**(1)**	1	NM	**1**	(12)	NM
Markets & Banking	**$8,957**	$7,279	23%	**$2,621**	$1,929	36%
International Results	**$5,243**	$4,356	20%	**$1,622**	$1,414	15%

(a) Results include a $402 million increase in revenues, or $135 million increase in net income, resulting from the adoption of SFAS 157 on January 1, 2007.
NM Not meaningful

- ***Securities and Banking***
  - Fixed income markets revenues increased 20% to a record $3.8 billion, driven by improved results across all products, including interest rates and currencies, and credit and securitized products.
  - Equity markets revenues grew 26% to a record $1.5 billion on higher results in cash trading, derivatives, equity finance and prime brokerage.
  - Gross investment banking revenues were a record $1.8 billion, reflecting record equity underwriting revenues, up 83%, and record advisory and other fees, up 45%. Net investment banking revenues increased 31% to $1.6 billion.
  - Operating expenses increased 7% due to increased staffing and higher business volumes. The rate of growth in expenses also reflects the absence of a $346 million pre-tax charge related to SFAS 123(R) in the prior-year period.
  - Credit costs increased due to a net charge of $286 million to increase loan loss reserves. The increase in loan loss reserves was driven by portfolio growth, which includes higher commitments to leveraged transactions and an increase in average loan tenor.
  - Net income increased 34% to a record $2.2 billion.
- ***Transaction Services***
  - Revenues increased 19% to a record $1.6 billion, driven by higher customer volumes and stable net interest margins. Liability balances grew 25% and assets under custody were up 22%.
  - Operating expenses increased 9%, primarily driven by increased business volumes, and credit remained stable.

GLOBAL WEALTH MANAGEMENT

(In Millions of Dollars)	First Quarter Revenues 2007	2006	% Change	First Quarter Net Income 2007	2006	% Change
Smith Barney	**$2,246**	$1,987	13%	**$324**	**$168**	93%
Private Bank	**572**	496	15	**124**	**119**	4
Global Wealth Management	**$2,818**	$2,483	13%	**$448**	**$287**	56%
International Results	**$433**	$329	32%	**$87**	**$59**	47%

- ***Smith Barney***
  - Revenue growth was driven by a 17% increase in fee-based and net interest revenues, reflecting improved net interest margins and a continued shift toward offering fee-based advisory products and services. Transactional revenues increased 7%, as a higher volume of new securities offerings drove increased customer trading.
  - Assets under fee-based management increased 13% to $362 billion, driven by net client asset flows and positive market action. Net client asset flows were $7 billion during the quarter.
  - Net income increased 93%, driven by increased business volumes and the absence of a $129 million pre-tax charge related to SFAS 123(R) in the prior-year period.

- ***Private Bank***
  - Revenue and net income growth was driven by a 30% increase in international revenues, reflecting strong growth in capital markets products in Asia and EMEA. Expense growth primarily reflected increased client activity, which led to higher compensation costs.
  - Client business volumes increased 19%, including higher client assets under fee-based management, up 12%. Average loans increased 16%.
  - Net income increased slightly as revenue growth was partially offset by higher credit costs and the absence of a tax benefit recorded in the prior-year period. Higher credit costs reflected portfolio growth.

ALTERNATIVE INVESTMENTS

	First Quarter Revenues		%	First Quarter Net Income		%
(In Millions of Dollars)	**2007**	2006	Change	**2007**	2006	Change
Alternative Investments	**$562**	$675	(17)%	**$222**	$353	(37)%

- ***Alternative Investments***
  - Revenues and net income declined as double-digit growth in client revenues and private equity results was more than offset by lower revenues from hedge funds, the absence of a gain on sale of The Travelers Companies shares and a $58 million tax benefit, both recorded in the prior-year period. Client capital under management increased 52%.

CORPORATE/OTHER

Corporate/Other income declined, primarily reflecting the charge related to the structural expense review.

INTERNATIONAL OPERATIONS [1]

	First Quarter Revenues		%	First Quarter Net Income		%
(In Millions of Dollars)	**2007**	2006	Change	**2007**	2006	Change
Global Consumer	**$1,377**	$1,149	20%	**$372**	$358	4%
Markets & Banking	**227**	186	22	**114**	78	46
Global Wealth Management	**36**	31	16	**12**	8	50
Mexico	**$1,640**	$1,366	20%	**$498**	$444	12%
Global Consumer	**$1,446**	$1,270	14%	**$83**	$185	(55)%
Markets & Banking	**2,827**	2,296	23	**694**	635	9
Global Wealth Management	**108**	75	44	**7**	3	NM
Europe, Middle East and Africa (EMEA)	**$4,381**	$3,641	20%	**$784**	$823	(5)%
Global Consumer	**$615**	$775	(21)%	**$45**	$188	(76)%
Markets & Banking	**212**	296	(28)	**35**	85	(59)
Global Wealth Management	**-**	-	-	**-**	-	-
Japan	**$827**	$1,071	(23)%	**$80**	$273	(71)%
Global Consumer	**$1,359**	$1,189	14%	**$383**	$347	10%
Markets & Banking	**1,404**	1,132	24	**561**	414	36
Global Wealth Management	**234**	180	30	**65**	45	44
Asia (excluding Japan)	**$2,997**	$2,501	20%	**$1,009**	$806	25%
Global Consumer	**$591**	$326	81%	**$70**	$58	21%
Markets & Banking	**573**	446	28	**218**	202	8
Global Wealth Management	**55**	43	28	**3**	3	NM
Latin America	**$1,219**	$815	50%	**$291**	$263	11%
Total International	**$11,064**	$9,394	18%	**$2,662**	$2,609	2%

(1) International results for the quarter are fully reflected in the product disclosures.
NM Not meaningful

- ***Mexico***
  - Consumer revenue growth was driven by increased average loans, up 11%, and a $68 million pre-tax gain on the sale of MasterCard shares. Credit costs increased primarily due to target market expansion and cards portfolio growth. Pre-tax earnings increased 47% and net income grew 4%, reflecting a lower level of APB 23 tax benefits than the prior-year period.
  - Markets & banking results were driven by double-digit revenue growth in fixed income markets and underwriting, and transaction services.

- ***Europe, Middle East and Africa***
  - Consumer revenues increased 14% as growth in customer deposits and loans of 9% and 18%, respectively, and higher investment product sales, more than offset net interest margin compression. The net income decline reflected higher expenses due to increased business volumes and investment spending, and higher credit costs.
  - Markets & banking generated record revenues and net income, driven by strong double-digit revenue growth across all products, including equity and fixed income markets, investment banking and transaction services. Results also include a $171 million pre-tax increase to loan loss reserves due to portfolio growth, which includes higher commitments to leveraged transactions and an increase in average loan tenor.

- ***Japan***
  - Consumer revenues and net income declined primarily due to significantly lower consumer finance results. Recent changes in the operating environment and the fourth quarter 2006 passage of new consumer lending laws led to increased customer refunds and credit costs. Revenues declined also due to a narrowing of the target market. The decline in revenues was partially offset by lower expenses due to a repositioning of the business.
  - Markets & banking revenues and net income declined due to lower results in fixed income markets and fixed income and equity underwriting.

- ***Asia***
  - Consumer revenues increased 14%, driven by growth in deposits and loans, up 10% and 17%, respectively, and record investment product sales, up 46%. Volume growth was partially offset by net interest margin compression. Net income increased 10%, as revenue growth was partially offset by higher expenses due to recent branch openings and higher credit costs.
  - Markets & banking income was a record, up 36%, driven by double-digit revenue growth in investment banking, lending and transaction services.
  - Wealth management income increased 44%, driven by strong growth in capital markets products.

- ***Latin America***
  - Consumer revenues increased 81%, driven by double-digit organic growth in average receivables, the acquisition of GFU, and the integration of Credicard in Brazil. Net income increased 21% as revenue growth was offset by higher credit costs due to portfolio growth.
  - Markets & banking revenue growth was driven by double-digit increases in fixed income and equity markets, and transaction services. Net income increased 8% as revenue growth was offset by higher taxes due to the absence of a prior-year tax benefit.

A reconciliation of non-GAAP financial information contained in this press release is set forth in page 11.

Citi, the leading global financial services company, has some 200 million customer accounts and does business in more than 100 countries, providing consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, and wealth management. Citi's major brand names include: Citibank, CitiFinancial, Primerica, Citi Smith Barney and Banamex. Additional information may be found at www.citigroup.com or www.citi.com.

Additional financial, statistical, and business-related information, as well as business and segment trends, is included in a Financial Supplement. Both the earnings release and the Financial Supplement are available on Citigroup's website at www.citigroup.com.

Certain statements in this document are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in these statements due to a variety of factors. More information about these factors is contained in Citigroup's filings with the Securities and Exchange Commission.

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SCHEDULE A

(In Millions of Dollars)	Tax benefits due to initial application of APB 23 to certain foreign subsidiaries
International Cards	$12
International Consumer Finance	--
International Retail Banking	15
Total International Consumer	$27
Consumer Other	--
Global Consumer	$27
Securities and Banking	$79
Transaction Services	23
Markets & Banking	$102
Smith Barney	2
Private Bank	--
Global Wealth Management	$2
Total	$131

SUMMARY OF PRESS RELEASE DISCLOSED ITEMS - NET INCOME IMPACT ($MM)

	1Q'06		1Q'07	
Cards	$76	(1,2,3)	$103	(4)
Retail Distribution	29	(1,2,3)	--	
Consumer Lending	26	(1,2,3)	--	
Commercial Business Group	(3)	(1,2,3)	--	
U.S. Consumer	**128**		**103**	
Cards	15	(1,2,3)	54	(4,5)
Consumer Finance	(3)	(2,3)	--	
Retail Banking	32	(1,2,3)	41	(4,5)
International Consumer	**44**		**95**	
Other Consumer	24	(1,2,3)	--	
Global Consumer	**196**		**198**	
Securities and Banking	(122)	(1,2,3)	214	(5,6)
Transaction Services	19	(1,2,3)	23	(5)
Other	--		--	
Markets & Banking	**(103)**		**237**	
Smith Barney	(107)	(2,3)	2	(5)
Private Bank	1	(1,2,3)	--	
Global Wealth Management	**(106)**		**2**	
Alternative Investments	53	(1,2,3)	--	
Corporate / Other	38	(1,2,3)	(871)	(7)
Discontinued Operations	59	(1)	--	

(1) Tax benefits related to resolution of an audit of $657 comprised of $89 in U.S. Cards, $51 in U.S. Retail Distribution, $31 in U.S. Consumer Lending, $4 in Commercial Business Group, $20 in International Cards, $55 in International Retail Banking, $40 in Other Consumer, $151 in Securities and Banking, $25 in Transaction Services, $13 in the Private Bank, $58 in Alternative Investments, $61 in Corporate/Other and $59 in Discontinued Operations.

(2) Impact of SFAS 123(R) charge for stock awards granted to retirement-eligible employees in 2006 for the 2005 performance year of ($648) pre-tax, (($398) after-tax) comprised of ($10) in U.S. Cards, ($18) in U.S. Retail Distribution, ($4) in U.S. Consumer Lending, ($6) in Commercial Business Group, ($4) in International Cards, ($2) in International Consumer Finance, ($18) in International Retail Banking, ($14) in Other Consumer, ($215) in Securities and Banking, ($5) in Transaction Services, ($78) in Smith Barney, ($10) in the Private Bank, ($4) in Alternative Investments and ($10) in Corporate/Other.

(3) Impact of SFAS 123(R) accrual of estimated cost of stock awards for retirement-eligible employees that were earned in the first quarter 2006 of ($198) pre-tax (($122) after-tax), comprised of ($3) in U.S. Cards, ($4) in U.S. Retail Distribution, ($1) in U.S. Consumer Lending, ($1) in Commercial Business Group, ($1) in International Cards, ($1) in International Consumer Finance, ($5) in International Retail Banking, ($3) in Other Consumer, ($58) in Securities and Banking, ($1) in Transaction Services, ($29) in Smith Barney, ($2) in the Private Bank, ($1) in Alternative Investments and ($12) in Corporate/Other.

(4) Gain on sale of MasterCard shares of $171 after-tax ($268 pre-tax) comprised of $103 after-tax in US Cards, $42 after-tax in International Cards, and $26 after-tax in International Retail Banking.

(5) Tax benefit due to initial application of APB 23 to certain foreign subsidiaries of $131 comprised of $12 in International Cards, $15 in International Retail Banking, $79 in Securities and Banking, $23 in Transaction Services and $2 in Smith Barney.

(6) Impact related to the early adoption of SFAS 157 of $135 after-tax ($402 pre-tax increase in revenues) in Securities and Banking.

(7) Charge related to the structural expense review of ($871) after-tax (($1,377) pre-tax) in Corporate/Other.

Non-GAAP Financial Measures

The following measures are considered "non-GAAP financial measures" under SEC guidelines:

1) Earnings per share excluding the charge related to structural expense review.
2) Citigroup net income excluding the charge related to structural expense review.
3) Citigroup expenses excluding the charge related to structural expense review, compensation accruals related to the revenue impact of adopting SFAS 157, and the charge related to SFAS123(R) for stock awards granted to retirement eligible employees in January 2006.

The Company believes that these non-GAAP financial measures provide a fuller understanding of ongoing operations and enhance comparability of those results in prior periods as well as demonstrating the effects of unusual charges in the quarter. The Company believes that a meaningful analysis of its financial performance requires an understanding of the factors underlying that performance. The Company believes that investors may find it useful to see these non-GAAP financial measures to analyze financial performance without the impact of unusual items that may obscure trends in the Company's underlying performance.

Reconciliation of the GAAP financial measures to the aforementioned non-GAAP measures follows:

($ in millions, except EPS)	1Q 2007	1Q 2006	1Q'07 vs. 1Q'06 % Change
GAAP Citigroup Earnings Per Share	$1.01	$1.11	(9)%
Excluding charge related to structural expense review	0.17	-	
Non-GAAP Citigroup Earnings Per Share as Adjusted	$1.18	$1.11	6%
GAAP Citigroup Net Income	$ 5,012	$ 5,639	(11)%
Excluding charge related to structural expense review	871	-	
Non-GAAP Citigroup Net Income as Adjusted	$ 5,883	$ 5,639	4%
GAAP Citigroup Operating Expenses	$ 15,571	$ 13,358	17%
Excluding charge related to structural expense review	(1,377)	-	
Excluding compensation accruals related to the revenue impact of adopting SFAS 157	(181)	-	
Excluding the charge related to SFAS 123(R) for stock awards granted to retirement eligible employees in January 2006	-	(648)	
Non-GAAP Citigroup Operating Expenses as Adjusted	$ 14,013	$ 12,710	10%

EXHIBIT 9

TO DECLARATION OF DENNIS M. KELLEHER IN SUPPORT OF MEMORANDUM IN OPPOSITION TO PROPOSED SETTLEMENT

(TA EX. 9)

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CITI REPORTS RECORD INCOME FROM CONTINUING OPERATIONS OF $6.2 BILLION, UP 18%

RECORD EPS FROM CONTINUING OPERATIONS OF $1.24, UP 18%

RECORD REVENUES OF $26.6 BILLION, UP 20%

RECORD INTERNATIONAL RESULTS WITH REVENUES UP 34%, NET INCOME UP 35%

RECORD REVENUES AND NET INCOME IN MARKETS & BANKING AND WEALTH MANAGEMENT

New York, NY, July 20, 2007 — Citigroup Inc. (NYSE:C) today reported net income for the 2007 second quarter of $6.23 billion, or $1.24 per share, both up 18%. International revenues and net income were a record, up 34% and 35%, respectively. Return on equity was 20.1%.

Management Comment

"We have very clear priorities to drive growth and we are executing on all of them. We generated record revenues, up 20%, and record earnings from continuing operations, up 18%, both driven by our record international results," said Charles Prince, Citi Chairman and Chief Executive Officer.

"We continued to generate revenue and volume growth in our U.S. consumer franchise, while making excellent progress in re-weighting Citi toward our other businesses, especially our international franchises, where revenues and net income increased over 30%. Our capital markets-driven businesses performed extremely well and international consumer revenues and volumes grew at a double-digit pace," said Prince.

"We also began to implement the structural expense initiatives announced in April, which are generating improved efficiencies. These initiatives, coupled with strong revenue growth, drove positive operating leverage this quarter and helped offset increased credit costs."

"We made excellent progress in expanding our business through targeted acquisitions, completing three international transactions, including an increase in our ownership of Nikko Cordial Corporation in Japan to 68%," said Prince.

Citi Segment Results

	Second Quarter Revenues		%	Second Quarter Net Income		%
(In Millions of Dollars, except EPS)	**2007**	2006	Change	**2007**	2006	Change
Global Consumer	**$13,662**	$12,628	8%	**$2,696**	$3,177	(15)%
Markets & Banking	**8,961**	6,761	33	**2,832**	1,723	64
Global Wealth Management	**3,197**	2,492	28	**514**	347	48
Alternative Investments	**1,032**	584	77	**456**	257	77
Corporate/Other	**(222)**	(283)	22	**(272)**	(242)	(12)
Results from Continuing Operations	**$26,630**	$22,182	20%	**$6,226**	$5,262	18%
Discontinued Operations				**-**	3	
Total Citi				**$6,226**	$5,265	18%
Earnings per Share from Continuing Operations				**$1.24**	$1.05	18%
Earnings per Share				**$1.24**	$1.05	18%
International results (1)	**$12,564**	$9,375	34%	**$3,043**	$2,248	35%

(1) International results are fully reflected in the Total Citi results above, and exclude Alternative Investments and Corporate/Other.

SECOND QUARTER SUMMARY

- **Revenues** were a record, up 20%, led by 34% growth in international revenues. International markets & banking revenues grew 50%, international consumer revenues increased 16%, and wealth management revenues more than doubled.
  - Revenue growth reflected double-digit customer volume growth. Deposits and loans grew 20% and 17%, respectively. Securities and banking ranked #1 in global debt underwriting, #2 in announced M&A, #3 in global equity underwriting, and achieved record revenues in equity markets and transaction services. In global wealth management, client assets under fee-based management grew 40%, and client capital in alternative investments increased 55%.
  - Strong volume growth drove a 16% increase in net interest revenues.
  - Excluding the impact of acquisitions, organic revenue growth was 16%.
  - The net interest margin declined 6 basis points versus the first quarter 2007, as the benefit from lower cost of funds was offset by growth in lower yielding trading assets.

- **Operating expenses** increased 16%, driven by increased business volumes and acquisitions, which were partially offset by savings from structural expense initiatives announced in April 2007, and the release of $300 million of litigation reserves reflecting our continued progress in favorably resolving WorldCom/Research matters[(1)].
  - The company opened or acquired 160 new retail bank or consumer finance branches during the quarter, including 136 internationally and 24 in the U.S. Over the last twelve months, 1,001 retail bank and consumer finance branches have been opened or acquired.
  - Excluding the impact of acquisitions, organic expense growth was 12%.

- **Credit costs** increased $934 million, primarily driven by an increase in net credit losses of $259 million and a net charge of $465 million to increase loan loss reserves. The $465 million net charge compares to a net reserve release of $210 million in the prior-year period.
  - In U.S. consumer, higher credit costs reflected an increase in net credit losses of $183 million and a net charge of $245 million to increase loan loss reserves. The $245 million net charge compares to a net reserve release of $274 million in the prior-year period. The increase in net credit losses and loan loss reserves primarily reflected higher delinquencies in second mortgages in consumer lending, a change in estimate of loan losses inherent in the cards portfolio, and portfolio growth.
  - In international consumer, higher credit costs reflected an increase in net credit losses of $155 million and a net charge to increase loan loss reserves of $236 million. The $236 million net charge compares to a net reserve release of $62 million in the prior-year period. The increase in net credit losses and loan loss reserves primarily reflected portfolio growth, an increase in past due accounts and portfolio seasoning in Mexico cards, higher net credit losses in Japan consumer finance, and the impact of recent acquisitions.
  - Markets & banking credit costs declined, reflecting a stable global credit environment and the absence of a $118 million net increase to loan loss reserves recorded in the prior-year period.

- **Taxes.** The effective tax rate on continuing operations was 29.9% versus 30.3% in the prior-year period. The current period tax rate includes the impact of certain APB 23 benefits of $96 million described below.

- **Summary of highlighted items.** During the quarter, the following benefits were recorded:

(In Millions of Dollars)	Pre-Tax Impact	After-Tax Impact	Business
Release of litigation reserves [(1)]	300	188	Markets & Banking
Tax benefits due to initial application of APB 23 to certain foreign subsidiaries	-	96	See Schedule A, page 9

(1) Reserves were established in May 2004 for Enron, WorldCom, Research and IPO-related matters.

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APPENDIX

GLOBAL CONSUMER GROUP

(In Millions of Dollars)	Second Quarter Revenues 2007	2006	% Change	Second Quarter Net Income 2007	2006	% Change
U.S. Cards	**$3,181**	$3,251	(2)%	**$726**	$878	(17)%
U.S. Retail Distribution	**2,545**	2,499	2	**453**	568	(20)
U.S. Consumer Lending	**1,606**	1,307	23	**441**	470	(6)
U.S. Commercial Business	**446**	516	(14)	**151**	138	9
Total U.S. Consumer	**$7,778**	$7,573	3%	**$1,771**	$2,054	(14)%
International Cards	**$2,013**	$1,510	33%	**$351**	$328	7%
International Consumer Finance	**843**	1,009	(16)	**(6)**	173	NM
International Retail Banking	**3,030**	2,555	19	**671**	714	(6)
Total International Consumer	**$5,886**	$5,074	16%	**$1,016**	$1,215	(16)%
Other	**(2)**	(19)	89	**(91)**	(92)	1
Global Consumer	**$13,662**	$12,628	8%	**$2,696**	$3,177	(15)%

NM Not meaningful.

U.S. Consumer

Revenues grew 3%, driven by higher average deposits, up 20%, and managed loans, up 8%; expenses increased 3%. Credit costs were significantly higher due to the absence of loan loss reserve releases in the prior-year period, an increase in estimate of losses inherent in the cards portfolio, higher delinquencies in second mortgages, and portfolio growth. Higher credit costs drove a decline in net income.

- ***U.S. Cards***
  - Revenues declined as growth in non-interest revenues was offset by a decline in net interest revenues. Non-interest revenues increased 3%, driven by improved managed yields and higher volumes of securitized loans, offset by lower securitization gains. Net interest revenues declined 11% as improved net interest margins were offset by a decrease in on balance sheet loans. Expenses decreased 7%.
  - Average managed loans were flat as a 6% increase in purchase sales, driven by growth in travel, business, and partner portfolios, was offset by lower promotional balances. Lower promotional balances led to a 36 basis point improvement in the average managed yield.
  - Credit costs reflected a $240 million pre-tax charge to increase loan loss reserves for a change in estimate of losses inherent in the portfolio. The managed net credit loss ratio increased 44 basis points to 4.55%, primarily reflecting an increase in bankruptcy filings over unusually low filing levels experienced in the prior-year period. The credit environment remained stable.
  - Net income declined 17%, reflecting increased credit costs.
- ***U.S. Retail Distribution***
  - Revenues grew 2%, driven by higher average loans and deposits, up 16% and 20%, respectively, partially offset by the absence of a $132 million pre-tax gain on the sale of branches recorded in the prior-year period. Excluding the gain on sale, revenues grew 8%. Deposits in Citibank Direct Bank reached $13.8 billion. Volume growth was partially offset by lower net interest margins, reflecting a shift in customer deposits to higher yielding Direct Bank and time deposit balances.
  - Expenses increased 12% due to investment in new branches and higher customer activity. During the quarter, 15 new consumer finance branches and 9 new Citibank branches were opened. Total branches increased by 180 versus the prior year.
  - Credit costs were up 22%, driven by portfolio growth and an unusually low level of credit losses in the prior-year period. The net credit loss ratio increased 21 basis points to 2.86%. The credit environment remained stable.
  - Net income declined 20%, reflecting higher expenses and credit costs, and the absence of a gain on sale of branches in the prior-year period. Excluding the gain on sale, net income declined 8%.

* ***U.S. Consumer Lending***
  - Revenues increased 23%, driven by growth in net interest revenues and net servicing revenues, higher gains on sales of loans, and the acquisition of ABN AMRO Mortgage Group in March 2007. Net interest revenues grew 14% as growth in average loans, up 13%, offset a decline in net interest margins.
  - Expenses grew 25%, driven by the integration of the ABN AMRO business and increased business volumes.
  - Higher credit costs primarily reflected increased delinquencies and higher net credit losses on second mortgages, and portfolio growth. Higher credit costs also reflected the absence of a $75 million release of loan loss reserves in the prior-year period. The net credit loss ratio in real estate lending increased 21 basis points to 0.40%.
  - Net income declined 6%, reflecting higher expenses and credit costs.
* ***U.S. Commercial Business***
  - Revenues declined as increased loan and deposit balances, up 6% and 20%, respectively, were offset by lower net interest margins and an increase in the mix of tax-advantaged revenues.
  - Net income grew 9%, as lower revenues were offset by a decline in expenses and a tax benefit due to increased tax-advantaged revenues.

International Consumer

Revenues increased 16%, driven by organic growth and the impact of recent acquisitions. Average deposits and loans were up 15% and 25%, respectively, and investment AUMs increased 35%. Expenses increased 21% due to the integration of acquisitions and higher business volumes. Higher credit costs and lower APB 23 tax benefits drove a decline in net income. Excluding Japan consumer finance, revenues were up 24% and net income declined 3%.

* ***International Cards***
  - Revenue and net income growth was driven by higher purchase sales and average loans, up 31% and 44%, respectively, and improved net interest margins. Loan balances grew at a double-digit pace in Mexico, EMEA, Asia, and Latin America. Results include the integration of Credicard in Brazil and recent acquisitions.
  - Expenses grew 31%, reflecting investment spending, higher customer activity, and the integration of recent acquisitions.
  - Net income increased 7%, reflecting increased credit costs, up 67%. Credit costs increased primarily due to organic portfolio growth, acquisitions, and increased past due accounts and portfolio seasoning in Mexico.
* ***International Consumer Finance***
  - In Japan, revenues and net income declined due to lower receivable balances and increased customer refunds and credit costs. Results reflect recent changes in the operating environment and the fourth quarter 2006 passage of new consumer lending laws. The revenue decline also reflects a narrowing of the target market. Lower revenues were partially offset by a decline in expenses, driven by a repositioning of the business that included closing 273 branches and 101 automated loan machines since the third quarter of 2006.
  - Outside of Japan, revenues increased 23%, driven by average loan growth of 21% and stable net interest margins. Net income declined as revenue growth was offset by an increase in credit costs due to portfolio growth, target market expansion, and the absence of certain asset sales in the prior-year period that lowered net credit losses. The net credit loss ratio increased 85 basis points to 3.21%. The credit environment outside of Japan remained generally stable.

- ***International Retail Banking***
  - Revenues increased 19%, driven by increased deposits and loans, up 15% and 24%, respectively, and 46% growth in investment product sales. Loan growth was partially offset by net interest margin compression. Loan balances grew at a double-digit pace in EMEA, Asia, Latin America, and Mexico. Results include the integration of recent acquisitions.
  - Expenses grew 24%, reflecting increased business volumes and acquisitions. During the quarter, 128 new branches were acquired or opened.
  - Credit costs increased as lower net credit losses, due to portfolio sales, were offset by the absence of a $105 million net release of loan loss reserves recorded in the prior-year period. The credit environment remained stable.
  - Net income declined 6%, reflecting higher credit costs, and lower APB 23 tax benefits in Mexico.

MARKETS & BANKING

	Second Quarter Revenues		%	Second Quarter Net Income		%
(In Millions of Dollars)	**2007**	2006	Change	**2007**	2006	Change
Securities and Banking	**$7,121**	$5,269	35%	**$2,145**	$1,412	52%
Transaction Services	**1,840**	1,495	23	**514**	340	51
Other	**-**	(3)	NM	**173** (1)	(29)	NM
Markets & Banking	**$8,961**	$6,761	33%	**$2,832**	$1,723	64%
International Results	**$5,920**	$3,958	50%	**$1,848**	$976	89%

(1) Includes a $300 million pre-tax release of litigation reserves noted above.
NM Not meaningful.

- ***Securities and Banking***
  - Fixed income markets revenues increased 24% to $3.42 billion, driven by improved results across all products, including interest rates and currencies, credit and securitized products, and commodities.
  - Equity markets revenues grew 67% to a record $1.58 billion on higher results in cash trading, derivatives, equity finance, and convertibles.
  - Gross investment banking revenues were $1.65 billion, reflecting record equity underwriting revenues of $539 million, up 90%, and increased advisory and other fees, up 34%. Net investment banking revenues increased 28% to $1.47 billion.
  - Operating expenses increased 30% due to higher business volumes and compensation costs.
  - Credit costs decreased reflecting a stable global corporate credit environment and the absence of a $120 million net increase to loan loss reserves recorded in the prior-year period.
  - Net income increased 52% to $2.15 billion.

- ***Transaction Services***
  - Revenues increased 23% to a record $1.84 billion, driven by higher customer volumes and stable net interest margins. Liability balances grew 24% and assets under custody were up 22%.
  - Operating expenses increased 14%, primarily driven by increased business volumes, and credit remained stable.
  - Net income increased 51% to a record $514 million.

GLOBAL WEALTH MANAGEMENT

(In Millions of Dollars)	Second Quarter Revenues 2007	2006	% Change	Second Quarter Net Income 2007	2006	% Change
Smith Barney	**$2,611**	$1,990	31%	**$321**	$238	35%
Private Bank	**586**	502	17	**193**	109	77
Global Wealth Management	**$3,197**	$2,492	28%	**$514**	$347	48%
International Results	**$758**	$343	NM	**$179**	$57	NM

NM Not meaningful.

- ***Smith Barney***
  - Record revenues were driven by a 21% increase in fee-based and net interest revenues, reflecting improved net interest margins and a continued shift toward offering fee-based advisory products and services. Transactional revenues increased 48%, as a higher volume of new securities offerings drove increased customer trading. Revenues also reflect increased ownership of Nikko Cordial Corporation in Japan.
  - Assets under fee-based management increased 43% to $448 billion, primarily driven by positive market action, acquisitions, and net client asset flows.
  - Expenses increased 27%, primarily driven by increased customer activity and the impact of acquisitions.
  - Net income increased 35%, driven by increased business volumes and the impact of acquisitions.
- ***Private Bank***
  - Revenue growth was driven by a 32% increase in international revenues, reflecting strong growth in capital markets products in Asia. U.S. revenues declined 4% as increased business volumes were offset by net interest margin compression. Expense growth of 16% primarily reflected increased client activity, which led to higher compensation costs, including the net addition of 103 bankers since the second quarter of 2006.
  - Client business volumes increased 26%, including higher client assets under fee-based management, up 22%, and average loans, up 18%.
  - Net income, up 77%, included a $65 million APB 23 tax benefit (see Schedule A, page 9). Excluding the tax benefit, net income grew 17%.

ALTERNATIVE INVESTMENTS

(In Millions of Dollars)	Second Quarter Revenues 2007	2006	% Change	Second Quarter Net Income 2007	2006	% Change
Alternative Investments	**$1,032**	$584	77%	**$456**	$257	77%

- ***Alternative Investments***
  - Revenue and net income growth was primarily driven by higher revenues from proprietary activities, up 87%. Revenue growth reflected both realized and mark-to-market gains across private equity, hedge fund, and other portfolios. Client capital under management increased 55%.

CORPORATE/OTHER

Corporate/Other income declined, primarily reflecting higher corporate level costs, including $63 million of restructuring related charges, which were partially offset by improved Treasury results.

INTERNATIONAL OPERATIONS [1]

(In Millions of Dollars)	Second Quarter Revenues 2007	2006	% Change	Second Quarter Net Income 2007	2006	% Change
Global Consumer	**$1,354**	$1,192	14%	**$360**	$375	(4)%
Markets & Banking	**183**	199	(8)	**95**	88	8
Global Wealth Management	**41**	33	24	**15**	10	50
Mexico	**$1,578**	$1,424	11%	**$470**	$473	(1)%
Global Consumer	**$1,618**	$1,360	19%	**$148**	$215	(31)%
Markets & Banking	**2,993**	2,043	47	**803**	342	NM
Global Wealth Management	**137**	83	65	**46**	5	NM
Europe, Middle East and Africa (EMEA)	**$4,748**	$3,486	36%	**$997**	$562	77%
Global Consumer	**$ 680**	$ 807	(16)%	**$ 32**	$178	(82)%
Markets & Banking	**453**	269	68	**124**	72	72%
Global Wealth Management	**286**	-	NM	**30**	-	NM
Japan	**$1,419**	$1,076	32%	**$186**	$250	(26)%
Global Consumer	**$1,464**	$1,244	18%	**$426**	$359	19%
Markets & Banking	**1,635**	1,062	54	**567**	336	69
Global Wealth Management	**242**	181	34	**74**	40	85
Asia (excluding Japan)	**$3,341**	$2,487	34%	**$1,067**	$735	45%
Global Consumer	**$770**	$471	63%	**$50**	$88	(43)%
Markets & Banking	**656**	385	70	**259**	138	88
Global Wealth Management	**52**	46	13	**14**	2	NM
Latin America	**$1,478**	$902	64%	**$323**	$228	42%
Total International	**$12,564**	$9,375	34%	**$3,043**	$2,248	35%

(1) International results for the quarter are fully reflected in the product disclosures.
NM Not meaningful.

- ***Mexico***
  - Consumer revenue growth was driven by increased average deposits and loans, up 4% and 23%, respectively, and higher investment product sales, up 28%. Credit costs increased primarily due to portfolio growth, and increased past due accounts and portfolio seasoning in cards. During the past 12 months, 207 retail bank and consumer finance branches were opened. Pre-tax earnings increased 22% and net income declined 4%, reflecting a lower level of APB 23 tax benefits than the prior-year period.
  - Markets & banking revenues declined as double-digit revenue growth in transaction services was offset by a decline in fixed income revenues. Net income increased due to lower credit costs.
- ***Europe, Middle East and Africa***
  - Consumer revenues increased 19%, driven by growth in customer deposits and loans of 30% and 35%, respectively, and higher investment product sales, up 41%. Results also reflect the acquisition of Egg. Volume growth was partially offset by net interest margin compression. Net income declined reflecting higher expenses due to increased business volumes and investment spending, and higher credit costs.
  - Markets & banking generated record revenues and net income, up 47% and 135%, respectively, driven by strong double-digit revenue growth across all products, including equity and fixed income markets, investment banking and transaction services. Results also reflect $31 million of certain APB 23 tax benefits.
  - Wealth management results reflect increased lending and capital markets products volumes, the acquisition of Quilter in the U.K., and $41 million of certain APB 23 tax benefits.

- ***Japan***
  - Consumer revenues and net income declined primarily due to significantly lower consumer finance results. Recent changes in the operating environment and the fourth quarter 2006 passage of new consumer lending laws led to lower receivable balances and increased customer refunds and credit costs. Revenues declined also due to a narrowing of the target market. The decline in revenues was partially offset by lower expenses due to a repositioning of the business.
  - Markets & banking revenues and net income increased reflecting increased ownership of Nikko Cordial Corporation.
  - Wealth management results reflected increased ownership of Nikko Cordial Corporation.
- ***Asia***
  - Consumer revenues and net income growth was driven by growth in deposits and loans, up 11% and 20%, respectively, and record investment product sales, up 59%. Volume growth was partially offset by net interest margin compression. Results also reflect higher credit costs due to portfolio growth and the absence of an $82 million release of loan loss reserves recorded in the prior-year period.
  - Markets & banking revenues and net income were records, up 54% and 69%, respectively, driven by strong double-digit revenue growth across fixed income and equity markets and underwriting, and transaction services.
  - Wealth management revenue and income growth was driven primarily by continued strong volumes in capital markets products.
- ***Latin America***
  - Consumer revenues increased driven by growth in average deposits and loans of 67% and 125%, respectively. Results include the acquisitions of Grupo Financiero Uno and Grupo Cuscatlan in Central America, and the integration of Credicard in Brazil. Net income declined 43% as revenue growth was offset by higher expenses, reflecting increased customer volumes and investment spending, the integration of acquisitions, and higher credit costs due to portfolio growth. Over the last 12 months, 310 new retail bank and consumer finance branches were opened or acquired.
  - Markets & banking revenue growth was driven by double-digit increases in fixed income markets, investment banking, and transaction services.

A reconciliation of non-GAAP financial information contained in this press release is set forth on page 11.

Charles Prince, Chairman and Chief Executive Officer, and Gary Crittenden, Chief Financial Officer, will host a conference call today at 10:00 AM (EDT). A live webcast of the presentation, as well as financial results and presentation materials, will be available at http://www.citigroup.com/citigroup/fin. A replay of the webcast will be available at http://www.citigroup.com/citigroup/fin/pres.htm.

Citi, the leading global financial services company, has some 200 million customer accounts and does business in more than 100 countries, providing consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, and wealth management. Citi's major brand names include Citibank, CitiFinancial, Primerica, Citi Smith Barney and Banamex. Additional information may be found at www.citigroup.com or www.citi.com.

Additional financial, statistical, and business-related information, as well as business and segment trends, is included in a Financial Supplement. Both the earnings release and the Financial Supplement are available on Citi's website at www.citigroup.com or www.citi.com.

Certain statements in this document are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in these statements due to a variety of factors. More information about these factors is contained in Citigroup's filings with the Securities and Exchange Commission.

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SCHEDULE A

(In Millions of Dollars)	Tax benefits due to initial application of APB 23 to certain foreign subsidiaries
Securities and Banking	$31
Private Bank	65
Total	$96

SUMMARY OF PRESS RELEASE DISCLOSED ITEMS - NET INCOME IMPACT ($MM)

	2Q'06	2Q'07
Cards	$ --	$ --
Retail Distribution	74 (1)	--
Consumer Lending	--	--
Commercial Business Group	18 (1)	--
U.S. Consumer	**92**	**--**
Cards	--	--
Consumer Finance	--	--
Retail Banking	--	--
International Consumer	**--**	**--**
Other Consumer	--	--
Global Consumer	**92**	**--**
Securities and Banking	--	31 (2)
Transaction Services	--	--
Other	--	188 (3)
Markets & Banking	**--**	**219**
Smith Barney	--	--
Private Bank	--	65 (2)
Global Wealth Management	**--**	**65**
Alternative Investments	--	--
Corporate / Other	--	--
Discontinued Operations	--	--

(1) Gain on sale of upstate branches of $163 pre-tax ($92 after-tax) comprised of $132 pre-tax ($74 after-tax) in U.S. Retail Distribution and $31 pre-tax ($18 after-tax) in Commercial Business Group.

(2) Tax benefit of $96 related to the initial assertion of APB 23 ($31 in Securities and Banking and $65 in Private Bank).

(3) Release of litigation reserves (as noted above) of $300 pre-tax ($188 after-tax) in Markets & Banking Other.

Non-GAAP Financial Measures

The following are measures considered "non-GAAP financial measures" under SEC guidelines:

1) Citi revenues excluding the impact of acquisitions.
2) Citi operating expenses excluding the impact of acquisitions.
3) International Consumer revenues excluding Japan Consumer Finance.
4) International Consumer net income excluding Japan Consumer Finance.
5) U.S. Retail Distribution revenues excluding the gain on sale of upstate New York branches recorded in 2Q'06.
6) U.S. Retail Distribution net income excluding the gain on sale of upstate New York branches recorded in 2Q'06.
7) Private Bank net income excluding an APB 23 tax benefit recorded in 2Q'07.

The Company believes that these non-GAAP financial measures provide a greater understanding of ongoing operations and enhance comparability of those results in prior periods as well as demonstrating the effects of unusual charges in the quarter. The Company believes that a meaningful analysis of its financial performance requires an understanding of the factors underlying that performance. The Company believes that investors may find it useful to see these non-GAAP financial measures to analyze financial performance without the impact of unusual items that may obscure trends in the Company's underlying performance.

Reconciliation of the GAAP financial measures to the aforementioned non-GAAP measures follows:

($ in millions)	2Q 2007	2Q 2006	2Q'07 vs. 2Q'06 % Change
GAAP Citi Revenues	$26,630	$22,182	20%
Excluding the impact of acquisitions	(924)	-	
Non-GAAP Citi Revenues as Adjusted	$25,706	$22,182	16%
GAAP Citi Operating Expenses	$14,855	$12,769	16%
Excluding the impact of acquisitions	(581)	-	
Non-GAAP Citi Operating Expenses as Adjusted	$14,274	$12,769	12%
GAAP International Consumer Revenues	$5,886	$5,074	16%
Excluding Japan Consumer Finance	(358)	(615)	
Non-GAAP International Consumer Revenues as Adjusted	$5,528	$4,459	24%
GAAP International Consumer Net Income	$1,016	$1,215	(16)%
Excluding Japan Consumer Finance	33	(134)	
Non-GAAP International Consumer Net Income as Adjusted	$1,049	$1,081	(3)%
GAAP U.S. Retail Distribution Revenues	$2,545	$2,499	2%
Excluding the gain on sale of upstate New York branches	-	(132)	
Non-GAAP U.S. Retail Distribution Revenues as Adjusted	$2,545	$2,367	8%
GAAP U.S. Retail Distribution Net Income	$453	$568	(20)%
Excluding the gain on sale of upstate New York branches	-	(74)	
Non-GAAP U.S. Retail Distribution Net Income as Adjusted	$453	$494	(8)%
GAAP Private Bank Net Income	$193	$109	77%
Excluding the APB 23 tax benefit	(65)	-	
Non-GAAP Private Bank Net Income as Adjusted	$128	$109	17%

EXHIBIT 10

TO DECLARATION OF DENNIS M. KELLEHER IN SUPPORT OF MEMORANDUM IN OPPOSITION TO PROPOSED SETTLEMENT

(TA EX. 10)

The Company has revised its financial results for the third quarter of 2007 from the results released in the Company's October 15, 2007 Earnings Release and Current Report on Form 8-K filing. The revision relates to the correction of the valuation on the Company's $43 billion in Asset-Backed Securities Collateralized Debt Obligations (ABS CDOs) super senior exposures. The impact of this correction is a $270 million reduction in Principal Transactions Revenue, a $166 million reduction in Net Income and a $0.03 reduction in Diluted Earnings per Share (please see Form 10-Q filed on November 5th for further details).

CITI REPORTS NET INCOME OF $2.2 BILLION, EARNINGS PER SHARE OF $0.44

REVENUES OF $22.4 BILLION, UP 5%

ROBUST INTERNATIONAL VOLUME GROWTH; INTERNATIONAL REVENUES UP 29%

RECORD REVENUES IN INTERNATIONAL CONSUMER, TRANSACTION SERVICES AND WEALTH MANAGEMENT

INCOME DECLINE PRIMARILY DRIVEN BY LOWER REVENUES IN FIXED INCOME AND HIGHER CONSUMER CREDIT COSTS

New York, NY, October 15, 2007 — Citigroup Inc. (NYSE:C) today reported net income for the 2007 third quarter of $2.21 billion, or $0.44 per share, a decline of 60% from the prior-year quarter. Results include a $729 million pre-tax gain on the sale of Redecard shares. Return on equity was 6.9%. On October 1, 2007, Citi announced that it expected third quarter 2007 net income to decline in the range of 60%, subject to finalizing third quarter results.

Management Comment

"This was a disappointing quarter, even in the context of the dislocations in the sub-prime mortgage and credit markets. A significant amount of our income decline was in our fixed income business, where we have a long track record of strong earnings, and this quarter's performance was well below our expectations. Although we generated strong momentum in many of our franchises, our fixed income results, along with higher credit costs in global consumer, led to significantly lower net income," said Charles Prince, Chairman and CEO.

"Importantly, many of our businesses performed well this quarter. Our international franchise continued to expand rapidly, with revenues up 29%. Our global wealth management franchise generated record revenues and transaction services posted another record quarter on double-digit earnings growth. In securities and banking, equity markets and underwriting revenues were up a combined 33%, and our advisory revenues grew 29%. Volumes in our consumer franchise continued to grow strongly with deposits up 18%, managed loans up 13%, and we opened 96 new branches around the world," said Prince.

"As we move into the fourth quarter, we are focusing closely on improving those areas where we performed below expectation, while at the same time continuing to execute on our strategic priorities," said Prince.

Citi Segment Results

	Third Quarter Revenues		%	Third Quarter Net Income		%
(In Millions of Dollars, except EPS)	**2007**	2006	Change	**2007**	2006	Change
Global Consumer	**$14,683**	$12,834	14%	**$1,783**	$3,195	(44)%
Markets & Banking	**4,333**	6,067	(29)	**280**	1,721	(84)
Global Wealth Management	**3,509**	2,486	41	**489**	399	23
Alternative Investments	**125**	334	(63)	**(67)**	117	NM
Corporate/Other	**(257)**	(299)	14	**(273)**	(129)	NM
Results from Continuing Operations	**$22,393**	$21,422	5%	**$2,212**	$5,303	(58)%
Discontinued Operations				**-**	202	NM
Total Citi				**$2,212**	$5,505	(60)%
Earnings per Share from Continuing Operations				**$0.44**	$1.06	(58)%
Earnings per Share				**$0.44**	$1.10	(60)%
International results (1)	**$12,210**	$9,460	29%	**$2,007**	$2,276	(12)%

(1) International results are fully reflected in the Total Citi results above, and exclude Alternative Investments, Corporate/Other and Discontinued Operations.

NM Not meaningful.

THIRD QUARTER SUMMARY

- **Revenues** were up 5%, led by 29% growth in international revenues.
  - Global consumer revenues increased 14%, driven by international consumer up 35%, which included a $729 million pre-tax gain on the sale of Redecard shares. Excluding the gain, international consumer revenues increased 21%, reflecting deposit and loan growth of 18% and 29%, respectively, and higher investment sales, up 26%. U.S. consumer revenues were flat with the prior-year period as deposit and managed loan growth of 16% and 8%, respectively, was offset by lower securitization results in cards and the absence of gains on sale of securities in the prior-year period in consumer lending.
  - Markets & banking revenues declined 29%, reflecting record transaction services revenues, up 38%, offset by a 50% decline in securities and banking. Securities and banking revenues declined due to write-downs and losses related to dislocations in the mortgage-backed securities and credit markets, including:
    - Write-downs of $1.35 billion pre-tax, net of underwriting fees, on funded and unfunded highly leveraged finance commitments.
    - Losses of $1.83 billion pre-tax, net of hedges, on the value of sub-prime mortgage-backed securities warehoused for future collateralized debt obligation ("CDO") securitizations, CDO positions, and leveraged loans warehoused for future collateralized loan obligation ("CLO") securitizations.
    - Losses of $636 million pre-tax in fixed income credit trading due to significant market volatility and the disruption of historical pricing relationships.

    U.S. markets & banking revenues declined 98% and international revenues grew 6%. International revenues included strong double-digit revenue growth in Asia, Latin America, and Mexico.
  - Global wealth management revenues increased 41%, as U.S. revenues grew 14% and international revenues more than doubled, due to double-digit organic growth and increased ownership in Nikko Cordial.
  - Alternative investments revenues declined 63% as strong growth in client revenues was offset by lower revenues from proprietary investment activities.
  - Excluding acquisitions and the gain on sale of Redecard shares, total organic revenues declined 4%.
  - The net interest margin declined 3 basis points versus the second quarter 2007.
- **Operating expenses** increased 22%, driven by increased business volumes and acquisitions, which were partially offset by savings from structural expense initiatives announced in April 2007.
  - The company opened 96 new retail bank or consumer finance branches during the quarter, including 47 internationally and 49 in the U.S. Over the last twelve months, 820 retail bank and consumer finance branches have been opened or acquired.
  - Excluding the impact of acquisitions, organic expense growth was 14%.
- **Credit costs** increased $2.98 billion, primarily driven by an increase in net credit losses of $780 million and a net charge of $2.24 billion to increase loan loss reserves.
  - In U.S. consumer, higher credit costs reflected an increase in net credit losses of $278 million and a net charge of $1.30 billion to increase loan loss reserves. The $1.30 billion net charge compares to a net reserve release of $197 million in the prior-year period. The increase in credit costs primarily reflected a weakening of leading credit indicators, including increased delinquencies on mortgages and unsecured personal loans, as well as trends in the U.S. macro-economic environment, portfolio growth, and a change in estimate of loan losses inherent in the portfolio but not yet visible in delinquencies ("a change in estimate of loan losses").
  - In international consumer, higher credit costs reflected an increase in net credit losses of $460 million and a net charge of $717 million to increase loan loss reserves. The $717 million net charge compares to a net charge of $101 million in the prior-year period. The increase in credit costs primarily reflected the impact of recent acquisitions, portfolio growth, and a change in estimate of loan losses.
  - Markets & banking credit costs increased $98 million, primarily reflecting higher net credit losses and a $123 million net charge to increase loan loss reserves for specific counterparties. Credit costs reflected a slight weakening in portfolio credit quality.
- **Taxes.** The effective tax rate on continuing operations was 19.4% versus 27.4% in the prior-year period. The decline in the tax rate primarily reflected a higher proportion of earnings in foreign jurisdictions that have lower tax rates.

APPENDIX
GLOBAL CONSUMER GROUP

(In Millions of Dollars)	Third Quarter Revenues 2007	2006	% Change	Third Quarter Net Income 2007	2006	% Change
U.S. Cards	**$3,386**	$3,452	(2)%	**$852**	$1,085	(21)%
U.S. Retail Distribution	**2,539**	2,382	7	**257**	481	(47)
U.S. Consumer Lending	**1,548**	1,481	5	**(227)**	521	NM
U.S. Commercial Business	**359**	489	(27)	**122**	151	(19)
Total U.S. Consumer	**$7,832**	$7,804	-	**$1,004**	$2,238	(55)%
International Cards	**$2,852**	$1,519	88%	**$647**	$287	NM
International Consumer Finance	**782**	998	(22)	**(320)**	50	NM
International Retail Banking	**3,225**	2,550	26	**552**	701	(21)
Total International Consumer	**$6,859**	$5,067	35%	**$879**	$1,038	(15)%
Other	**(8)**	(37)	78	**(100)**	(81)	(23)
Global Consumer	**$14,683**	$12,834	14%	**$1,783**	$3,195	(44)%

NM Not meaningful.

U.S. Consumer

Revenues were flat with the prior-year period as higher retail distribution and consumer lending revenues were offset by declines in cards and commercial business. Average deposits grew 16%, and average managed loans were up 8%. Expenses increased 8% primarily due to acquisitions and lower marketing costs in the prior-year period. Credit costs increased substantially, primarily due to a weakening of leading credit indicators, including increased delinquencies on mortgages and unsecured personal loans, as well as trends in the U.S. macro-economic environment, portfolio growth, and a change in estimate of loan losses. Higher credit costs and expenses drove a decline in net income.

- ***U.S. Cards***
  - Revenues declined 2% primarily due to lower securitization results. Lower securitization revenues primarily reflected a decrease in gains on sale of receivables, as well as the net impact of funding costs and higher expected credit losses in the securitization trusts. Net interest revenues declined 15% as increased receivable securitizations and lower promotional balances led to a decline in loans held on balance sheet. The managed net interest margin improved 27 basis points to 10.55% primarily due to growth in non-promotional balances.
  - Average managed loans were approximately flat as a 6% increase in purchase sales, driven by growth in travel, business, and partner portfolios, was offset by lower promotional balances. Compared to the second quarter 2007, average managed loans increased 1%.
  - Expenses grew 4% primarily driven by increased collection and servicing expenses, and lower marketing costs in the prior-year period.
  - Higher credit costs were driven by a $134 million pre-tax charge to increase loan loss reserves, reflecting a weakening of leading credit indicators and trends in the macro-economic environment. The increase in loan loss reserves compares to a $122 million release in the prior-year period. The managed net credit loss ratio increased 15 basis points to 4.41%, primarily reflecting unusually low bankruptcy filings in the prior-year period.
  - Net income declined 21%, reflecting lower securitization revenues, increased expenses, and increased credit costs.

- ***U.S. Retail Distribution***
  - Revenues grew 7%, driven by higher average loans and deposits, up 19% and 14%, respectively. Volume growth was partially offset by lower net interest margins, reflecting a shift in customer deposits to higher cost Direct Bank and time deposit balances. Checking accounts increased 8%.
  - Expenses increased 9% due to investment in new branches and higher customer activity. During the quarter, 35 new consumer finance branches and 14 new Citibank branches were opened.

- Credit costs increased substantially, driven by higher net credit losses and a $299 million pre-tax charge to increase loan loss reserves. Higher credit costs reflected a weakening of leading credit indicators, including higher delinquencies in unsecured personal loans, portfolio growth, and a change in estimate of loan losses. The net credit loss ratio increased 39 basis points to 2.87%, partially reflecting unusually low bankruptcy filings in the prior-year period.
- Net income declined 47%, primarily due to higher expenses and credit costs.

- ***U.S. Consumer Lending***
  - Revenues increased 5%, driven by growth in net interest revenues and net servicing revenues, and the acquisition of ABN AMRO Mortgage Group in March 2007. Net interest revenues grew 16%, reflecting growth in average loans, up 12%. Non-interest revenues declined due to the absence of gains on sales of mortgage-backed securities recorded in the prior-year period.
  - Expenses grew 37%, driven by the integration of the ABN AMRO business, increased business volumes, and higher staffing costs related to collections.
  - Credit costs increased substantially, driven by higher net credit losses and an $854 million pre-tax charge to increase loan loss reserves. Higher credit costs were primarily driven by a weakening of leading credit indicators, including higher delinquencies in first and second mortgages, as well as trends in the macro-economic environment, and a change in estimate of loan losses.
  - Net income declined significantly, reflecting higher expenses and credit costs.

- ***U.S. Commercial Business***
  - Revenues declined as increased loan and deposit balances, up 9% and 28%, respectively, were offset by lower net interest margins, an increase in the mix of tax-advantaged revenues, and business divestitures.
  - Net income declined as lower revenues and higher credit costs offset increased tax benefits.

International Consumer

Revenues increased 35%, driven by organic growth, the impact of recent acquisitions, and a gain on the sale of Redecard shares, partially offset by a significant decline in Japan consumer finance. Excluding the gain, revenues were up 21%. Average deposits and loans were up 18% and 29%, respectively, and investment sales grew 26%. Expenses increased 31%, primarily due to the integration of acquisitions and higher business volumes. Credit costs increased substantially, primarily due to the impact of recent acquisitions, portfolio growth, and a change in estimate of loan losses. Net income declined, primarily due to increased losses in Japan consumer finance, higher credit costs, and lower APB 23 tax benefits.

- ***International Cards***
  - Revenues grew 88%, primarily driven by higher purchase sales and average loans, up 37% and 52%, respectively, improved net interest margins, and a $729 million pre-tax gain on the sale of Redecard shares. Excluding the gain, revenues increased 40%. Loan balances grew at a double-digit pace in Mexico, EMEA, Asia, and Latin America. Results include the integration of recent acquisitions.
  - Credit costs increased substantially, driven by higher net credit losses and a $334 million pre-tax charge to increase loan loss reserves. Higher credit costs were primarily due to acquisitions and organic portfolio growth, an increase in past due accounts in Mexico cards, and a change in estimate of loan losses. The net credit loss ratio increased 61 basis points to 5.62%.
  - Net income increased as higher revenues and the gain on the sale of Redecard shares offset significantly higher credit costs. Excluding the gain on the sale of Redecard shares, net income declined 38%.

- ***International Consumer Finance***
  - In Japan, net income declined significantly due to charges to increase reserves for customer refunds and credit losses, higher expenses due to write-downs of $152 million pre-tax on customer intangibles and fixed assets, and a decline in revenues primarily due to lower receivable balances. Financial results reflected recent adverse changes in the operating environment and the impact of consumer lending laws passed in the fourth quarter 2006.

- Outside of Japan, revenues increased 22%, driven by average loan growth of 20% and increased net interest margins. Net income declined as revenue growth was offset by an increase in credit costs due to portfolio growth and seasoning, and a $90 million pre-tax charge to increase loan loss reserves primarily due to a change in estimate of loan losses. The net credit loss ratio increased 48 basis points to 3.58%.

- ***International Retail Banking***
  - Revenues increased 26%, driven by increased deposits and loans, up 18% and 26%, respectively, and higher investment sales, up 26%. Loan balances grew at a double-digit pace in EMEA, Asia, Latin America, and Mexico. Results include the integration of recent acquisitions.
  - Expenses grew 26%, reflecting increased business volumes and acquisitions. During the quarter, 41 new branches were opened.
  - Credit costs increased due to the absence of portfolio sales and loan loss reserve releases recorded in the prior-year period, and a $131 million pre-tax charge to increase loan loss reserves in the current period. The charge to increase loan loss reserves primarily reflects a change in estimate of loan losses.
  - Net income declined 21%, reflecting higher credit costs and lower APB 23 tax benefits in Mexico.

MARKETS & BANKING

(In Millions of Dollars)	Third Quarter Revenues 2007	2006	% Change	Third Quarter Net Income 2007	2006	% Change
Securities and Banking	**$2,270**	$4,567	(50)%	**$(290)**	$1,344	NM
Transaction Services	**2,063**	1,500	38	**590**	385	53
Other	**--**	--	--	**(20)**	(8)	NM
Markets & Banking	**$4,333**	$6,067	(29)%	**$280**	$1,721	(84)%
International Results	**$4,296**	$4,060	6%	**$972**	$1,181	(18)%

NM Not meaningful.

- ***Securities and Banking***
  - Fixed income markets revenues declined $1.91 billion to $401 million, driven primarily by:
    - Losses of $1.83 billion, net of hedges, on sub-prime mortgages warehoused for future CDO securitizations, CDO positions, and leveraged loans warehoused for future CLO securitizations.
    - Losses of $636 million in credit trading due to significant market volatility and disruption of historical pricing relationships.
    - These losses were partially offset by strong double-digit revenue growth in interest rate and currency trading, and municipals.
  - Equity markets revenues grew 19% to $1.03 billion, driven by double-digit growth in cash trading and derivatives, and a doubling of equity finance revenues.
  - Lending revenues declined 14% to $412 million, primarily driven by write-downs of $451 million, net of underwriting fees, on funded and unfunded highly leveraged finance commitments, which were partially offset by hedging gains related to the corporate loan portfolio.
  - Net investment banking revenues were $541 million, down 50% due to write-downs of $901 million, net of underwriting fees, on funded and unfunded highly leveraged finance commitments. Excluding the write-downs, net revenues were $1.44 billion, up 32%.
    - Equity underwriting revenues nearly doubled to $389 million, partially driven by an increase in market share. Year-to-date, Citi ranks #2 in global equity underwriting.
    - Record advisory and other fees increased 29% to $459 million. Year-to-date, Citi ranks #3 in global announced and completed M&A.
    - Growth in equity underwriting and advisory revenues was offset by losses in debt underwriting of $193 million, resulting from write-downs of $901 million, net of underwriting fees, on funded and unfunded highly leveraged finance commitments.

- Operating expenses increased 4%, reflecting a decline in incentive compensation costs offset by higher other operating and administrative expenses. Other operating and administrative expenses grew primarily due to acquisitions, increased legal expenses, and higher business development costs.
- Credit costs increased, driven by higher net credit losses and a $123 million pre-tax net charge to increase loan loss reserves for specific counterparties. Credit costs reflect a slight weakening of credit quality in the portfolio.
- Results also reflected a significant decline in the effective tax rate, primarily due to a higher proportion of earnings in foreign jurisdictions that have lower tax rates.

- ***Transaction Services***
  - Revenues increased 38% to a record $2.06 billion, driven by higher customer volumes, stable net interest margins, and the acquisition of The Bisys Group, which closed in August 2007.
  - Strong double-digit revenue and net income growth was generated in EMEA, Asia, Latin America, Japan, and the U.S.
  - Liability balances grew 34% and assets under custody were up 30%.
  - Operating expenses increased 28%, primarily driven by increased business volumes.
  - Net income increased 53% to a record $590 million.

GLOBAL WEALTH MANAGEMENT

	Third Quarter Revenues		%	Third Quarter Net Income		%
(In Millions of Dollars)	**2007**	2006	Change	**2007**	2006	Change
Smith Barney	**$2,892**	$1,994	45%	**$379**	$294	29%
Private Bank	**617**	492	25	**110**	105	5
Global Wealth Management	**$3,509**	$2,486	41%	**$489**	$399	23%
International Results	**$1,055**	$333	NM	**$156**	$57	NM

NM Not meaningful.

- ***Smith Barney***
  - Record revenues were driven by a 24% increase in fee-based and net interest revenues, reflecting a continued shift toward offering fee-based advisory products and services, and improved net interest margins. Record revenue was also driven by higher transactional revenues, up 86%, due to increased ownership of Nikko Cordial in Japan and organic growth in customer trading volumes.
  - Assets under fee-based management increased 41% to $454 billion, primarily driven by acquisitions, positive market action, and net client asset flows.
  - Expenses grew 40%, primarily due to increased customer activity and the impact of acquisitions.
  - Net income increased 29%, reflecting increased business volumes and the impact of acquisitions, offset by the absence of a $31 million tax benefit recorded in the prior-year period.

- ***Private Bank***
  - Revenue growth was driven by a 42% increase in international revenues, reflecting strong growth in capital markets products in Asia and EMEA. U.S. revenues increased 2% as increased business volumes were offset by net interest margin compression.
  - Client business volumes increased 28%, including higher client assets under fee-based management, up 17%, and average loans, up 29%.
  - Expense growth of 29% primarily reflected higher compensation costs, driven by increased client activity and the net addition of 60 bankers since the third quarter of 2006.
  - Credit costs increased due to a $55 million pre-tax charge to increase loan loss reserves, primarily related to new loan volumes.
  - Net income increased 5% as revenue growth was offset by higher expenses and credit costs.

ALTERNATIVE INVESTMENTS

(In Millions of Dollars)	Third Quarter Revenues 2007	2006	% Change	Third Quarter Net Income 2007	2006	% Change
Alternative Investments	**$125**	$334	(63)%	**$(67)**	$117	NM

NM Not meaningful.

- ***Alternative Investments***

  - Revenue and net income declined as strong growth in client revenues, up 75%, was offset by significantly lower proprietary investment revenues. Proprietary investment revenues declined primarily due to a lower market value on Legg Mason shares, lower results from hedge fund activities, and the absence of a gain on sale of MetLife shares in the prior-year period. Client capital under management increased 50%. Client revenues and capital reflected organic growth and the acquisition of Old Lane Partners, L.P.

CORPORATE/OTHER

Corporate/Other income declined, primarily reflecting higher Nikko related charges and the absence of a prior-year benefit related to retirement benefit plans, which were partially offset by improved treasury results.

INTERNATIONAL OPERATIONS (1)

(In Millions of Dollars)	Third Quarter Revenues 2007	2006	% Change	Third Quarter Net Income 2007	2006	% Change
Global Consumer	**$1,404**	$1,238	13%	**$244**	$395	(38)%
Markets & Banking	**247**	197	25	**125**	95	32
Global Wealth Management	**38**	32	19	**10**	9	11
Mexico	**$1,689**	$1,467	15%	**$379**	$499	(24)%
Global Consumer	**$1,738**	$1,353	28%	**$58**	$213	(73)%
Markets & Banking	**1,398**	2,166	(35)	**(25)**	489	NM
Global Wealth Management	**139**	83	67	**4**	7	(43)
Europe, Middle East and Africa (EMEA)	**$3,275**	$3,602	(9)%	**$37**	$709	(95)%
Global Consumer	**$ 649**	$782	(17)%	**$(224)**	$ 79	NM
Markets & Banking	**133**	177	(25)	**(96)**	38	NM
Global Wealth Management	**547**	--	NM	**60**	--	NM
Japan	**$1,329**	$959	39%	**$(260)**	$117	NM
Global Consumer	**$1,520**	$1,209	26%	**$334**	$328	2%
Markets & Banking	**1,822**	1,080	69	**727**	391	86
Global Wealth Management	**277**	171	62	**79**	38	NM
Asia (excluding Japan)	**$3,619**	$2,460	47%	**$1,140**	$757	51%
Global Consumer	**$1,548**	$485	NM	**$467**	$23	NM
Markets & Banking	**696**	440	58	**241**	168	43
Global Wealth Management	**54**	47	15	**3**	3	--
Latin America	**$2,298**	$972	NM	**$711**	$194	NM
Total International	**$12,210**	$9,460	29%	**$2,007**	$2,276	(12)%

(1) International results for the quarter are fully reflected in the product disclosures.
NM Not meaningful.

- ***Mexico***

  - Consumer revenue growth was driven by an increase in average loans, up 19%, and higher card purchase sales, up 17%. Net income declined as revenue growth was offset by higher credit costs and higher APB 23 tax benefits in the prior-year period. Credit costs increased, primarily due to portfolio growth, increased past due accounts in cards, a change in estimate of loan losses, and the absence of a loan loss reserve release in the prior-year period. During the past 12 months, 172 new retail bank and consumer finance branches were opened.

  - Markets & banking revenues and net income increased driven by double-digit growth in fixed income underwriting, lending and advisory, which was partially offset by lower foreign exchange revenues. Net income growth also reflected single-digit expense growth and lower credit costs.

- ***Europe, Middle East and Africa***

  - Consumer revenues increased 28%, driven by growth in customer deposits and loans, both up 47%, and higher investment product sales, up 53%. Net income declined, primarily due to higher credit costs, driven by portfolio growth, a change in estimate of loan losses, and the absence of prior-year asset sales. Results reflect the impact of recent acquisitions.

  - Markets & banking revenues and net income declined as lower results in securities and banking offset record revenues and net income in transactions services. In securities and banking, revenues declined 59%, driven by $1.21 billion of pre-tax write-downs and losses on highly leveraged finance commitments, sub-prime mortgages warehoused for future CDO securitizations, CDO positions, and in fixed income credit trading. These write-downs and losses were partially offset by growth in interest rate and currency trading, equity underwriting, and lending. Results also include a $123 million pre-tax charge to increase loan loss reserves for specific counterparties. Transaction services revenues and net income increased at a strong double-digit pace, driven by increased customer volumes.

- ***Japan***

  - Consumer revenues and net income were driven by significantly lower consumer finance results. Recent adverse changes in the operating environment and the impact of consumer lending laws passed in the fourth quarter 2006 led to lower receivable balances, charges to increase reserves for customer refunds, and higher credit losses. Results also include a $152 million pre-tax write-down on customer intangibles and other fixed assets.

  - Markets & banking revenues and net income declined as strong double-digit growth in transaction services was offset by a decline in revenues in fixed income and equity businesses, and lower results from principal investments.

  - Wealth management results reflected the impact of increased ownership of Nikko Cordial.

- ***Asia***

  - Consumer revenues increased 26%, driven by growth in deposits and loans, up 10% and 20%, respectively, and a doubling of investment product sales to a record level. Volume growth was partially offset by net interest margin compression. Net income was approximately even with the prior-year period as revenue growth was offset by higher credit costs. Higher credit costs reflected portfolio growth, a change in estimate of loan losses, and the absence of a prior-year release of loan loss reserves.

  - Markets & banking revenues and net income were records, up 69% and 86%, respectively. Fixed income markets revenues nearly doubled, driven by strength in interest rate and currency products, and distressed debt. Equity markets revenues more than doubled, driven by strong results in cash trading and derivatives. Transaction services revenues and net income grew at a strong double-digit pace, reflecting increased business volumes.

  - Wealth management revenue and income growth was driven primarily by continued strong volumes in capital markets products.

- ***Latin America***

  - Consumer revenue and net income growth was driven by increased average deposits, up 74%, a doubling of loans, and higher investment AUMs, up 28%. Revenues included a $729 million pre-tax gain on the sale of Redecard shares and the impact of recent acquisitions. Excluding the gain on sale of Redecard shares, revenues grew 69% and net income declined. Net income declined as revenue growth was offset by higher expenses, reflecting increased customer volumes and the impact of acquisitions, and higher credit costs. Higher credit costs were driven by portfolio growth, acquisitions, and a change in estimate of loan losses. Over the last 12 months, 268 new retail bank and consumer finance branches were opened or acquired.
  - Markets & banking revenues and net income were driven by strong double-digit revenue increases in fixed income and equity markets and lending, and the acquisition of Grupo Cuscatlan. Results also reflected record revenues and net income in transaction services, driven by higher customer volumes.

A reconciliation of non-GAAP financial information contained in this press release is set forth on page 11.

Charles Prince, Chairman and Chief Executive Officer, and Gary Crittenden, Chief Financial Officer, will host a conference call today at 8:30 AM (EDT). A live webcast of the presentation, as well as financial results and presentation materials, will be available at http://www.citigroup.com/citigroup/fin. A replay of the webcast will be available at http://www.citigroup.com/citigroup/fin/pres.htm.

Citi, the leading global financial services company, has some 200 million customer accounts and does business in more than 100 countries, providing consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, and wealth management. Citi's major brand names include Citibank, CitiFinancial, Primerica, Citi Smith Barney and Banamex. Additional information may be found at www.citigroup.com or www.citi.com.

Additional financial, statistical, and business-related information, as well as business and segment trends, is included in a Financial Supplement. Both the earnings release and the Financial Supplement are available on Citi's website at www.citigroup.com or www.citi.com.

Certain statements in this document are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in these statements due to a variety of factors. More information about these factors is contained in Citigroup's filings with the Securities and Exchange Commission.

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SUMMARY OF PRESS RELEASE DISCLOSED ITEMS - NET INCOME IMPACT ($MM)

	3Q'06	3Q'07
Cards	$ 39 (1)	$ --
Retail Distribution	4 (1)	--
Consumer Lending	10 (1)	--
Commercial Business Group	1 (1)	--
U.S. Consumer	**54**	**--**
Cards	5 (1)	469 (3)
Consumer Finance	(102) (1, 2)	(98) (4)
Retail Banking	18 (1)	--
International Consumer	**(79)**	**371**
Other Consumer	1 (1)	--
Global Consumer	**(24)**	**371**
Securities and Banking	97 (1)	--
Transaction Services	19 (1)	--
Other	--	--
Markets & Banking	**116**	**--**
Smith Barney	31 (1)	--
Private Bank	3 (1)	--
Global Wealth Management	**34**	**--**
Alternative Investments	--	--
Corporate / Other	8 (1)	--
Discontinued Operations	17 (1)	--

1. NYS tax release of $254 comprised of $39 in U.S. Cards, $4 in U.S. Retail Distribution, $10 in U.S. Consumer Lending, $1 in Commercial Business Group, $5 in International Cards, $1 in International Consumer Finance, $18 in International Retail Banking, $1 in Consumer Other, $97 in Securities and Banking, $19 in Transaction Services, $31 in Smith Barney, $3 in Private Bank, $8 in Corporate/Other, and $17 in Discontinued Operations.
2. Higher credit costs of $(159) pre-tax ($(103) after-tax) in Japan Consumer Finance. Included due to legislative and other actions affecting the consumer finance industry in Japan. Business-as-usual credit losses in the portfolios are not included.
3. Gain on sale of Redecard shares of $729 pre-tax ($469 after-tax) in International Cards. Sale of Redecard shares was previously announced on July 16, 2007.
4. Write-down of intangibles and fixed assets of $(152) pre-tax ($(98) after-tax) in Japan Consumer Finance.

Non-GAAP Financial Measures

The following are measures considered "non-GAAP financial measures" under SEC guidelines:

1) Citi revenues excluding the impact of acquisitions and the gain on sale of Redecard shares.
2) Citi operating expenses excluding the impact of acquisitions.
3) International Consumer revenues excluding the gain on sale of Redecard shares.
4) International Cards revenues excluding the gain on sale of Redecard shares.
5) International Cards net income excluding the net gain on sale of Redecard shares.
6) International Consumer Finance revenues excluding Japan Consumer Finance.
7) Net Investment Banking revenues excluding write-downs on highly leveraged finance commitments.
8) Latin America Consumer revenues excluding the gain on sale of Redecard shares.

The Company believes that these non-GAAP financial measures provide a greater understanding of ongoing operations and enhance comparability of those results in prior periods as well as demonstrating the effects of unusual gains and charges in the quarter. The Company believes that a meaningful analysis of its financial performance requires an understanding of the factors underlying that performance. The Company believes that investors may find it useful to see these non-GAAP financial measures to analyze financial performance without the impact of unusual items that may obscure trends in the Company's underlying performance.

Reconciliation of the GAAP financial measures to the aforementioned non-GAAP measures follows:

($ in millions)	3Q 2007	3Q 2006	3Q'07 vs. 3Q'06 % Change
GAAP Citi Revenues	$22,393	$21,422	5%
Excluding the impact of acquisitions	(1,099)	--	
Excluding the gain on sale of Redecard shares	(729)	--	
Non-GAAP Citi Revenues as Adjusted	$20,565	$21,422	(4)%
GAAP Citi Operating Expenses	$14,561	$11,936	22%
Excluding the impact of acquisitions	(952)	--	
Non-GAAP Citi Operating Expenses as Adjusted	$13,609	$11,936	14%
GAAP International Consumer Revenues	$6,859	$5,067	35%
Excluding the gain on sale of Redecard shares	(729)	--	
Non-GAAP International Consumer Revenues as Adjusted	$6,130	$5,067	21%
GAAP International Cards Revenues	$2,852	$1,519	88%
Excluding the gain on sale of Redecard shares	(729)	--	
Non-GAAP International Cards Revenues as Adjusted	$2,123	$1,519	40%
GAAP International Cards Net Income	$647	$287	NM
Excluding the net gain on sale of Redecard shares	(469)	--	
Non-GAAP International Cards Net Income as Adjusted	$178	$287	(38)%
GAAP International Consumer Finance Revenues	$782	$998	(22)%
Excluding Japan Consumer Finance	(281)	(587)	
Non-GAAP International Consumer Finance Revenues as Adjusted	$501	$411	22%
GAAP Net Investment Banking Revenues	$541	$1,089	(50)%
Excluding write-downs on highly leveraged finance commitments	901	--	
Non-GAAP Net Investment Banking Revenues as Adjusted	$1,442	$1,089	32%
GAAP Latin America Consumer Revenues	$1,548	$485	NM
Excluding the gain on sale of Redecard shares	(729)	--	
Non-GAAP Latin America Consumer Revenues as Adjusted	$819	$485	69%

NM Not meaningful.