



[ENGLISH TRANSLATION – ORIGINAL PRESS RELEASE IN JAPANESE]

**For Immediate Release
Citigroup Inc. (NYSE: C)**

**Citigroup Announces Plans to
Localize Banking Operations in Japan
- Will Also Establish Japanese Holding Company -
- Continues International Growth Strategy -**

Tokyo, January 29, 2007 – Citing its strategy to grow its international businesses, Citigroup Inc. today announced plans to localize its Japanese banking operations and unify oversight of its Japan-based businesses from a new local holding company. Citigroup stated that its localization plans are subject to obtaining all required governmental approvals and that it expects to be able to fully implement these plans by July 2007.

To localize its Japanese banking operations, Citigroup will set up a new locally incorporated bank to assume all of the operations currently conducted by Citibank, N.A. through its Japan-based network of 30 branches and sub-branches. Citigroup stated that establishing a local bank would enable it to accelerate growth plans in its retail and corporate banking businesses in Japan, while ensuring appropriate local governance of those businesses.

The new locally incorporated bank will be rated by Moody's Investor Services and Standard & Poor's LLC.

As part of its localization plans, Citigroup also will set up a new locally incorporated holding company to oversee Citigroup's business interests in Japan. Citigroup stated that the new holding company, which will be subject to supervision by the Financial Services Agency of Japan under applicable Japanese laws and regulations, will enhance Citigroup's ability to strengthen oversight and coordination of its multiple businesses in Japan.

In making its announcement, Citigroup said that it views Japan as a key market in its international expansion and that it considers localizing its banking operations and setting up a local holding company as a sign of its continued long-term commitment to investing in the world's second largest economy.

After localizing its banking operations, Citigroup plans to expand its retail banking presence in Japan by doubling the number of retail bank branches over the next several years, including opening five new branches during the remainder of 2007. Citigroup is already pursuing efforts to expand significantly the size of its corporate client base in Japan during the next several years.

Citigroup said that localizing its banking operations in Japan would enhance its ability to deliver the full range of products and services that it now provides to its retail and corporate banking customers in Japan. Citigroup will notify customers of the exact timeline for local incorporation of its banking operations once finalized with the relevant governmental authorities.

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Reference

Citibank, N.A., Japan Branches

- A nationwide network of 30 branches and sub-branches
- 20 branches and 5 sub-branches for the Consumer Bank Division
- Opened its first Japanese branch in 1902

- Representative: Douglas Peterson, Chief Executive Officer
- Registered Capital: US\$ 750 million (Citibank, N.A.)
- Head Office: Tokyo Branch (Minato-ku, Tokyo)
- Numbers of Employees: 1,493 (as of Sept 2006)

New Local Bank

- Tentative name to be “Citibank Japan Ltd.”
(シティバンク銀行株式会社)
- The transfer of banking operations from Citibank, N.A.’s Japan branches to the new local bank is targeted for July 2007
- Representative to be announced when finalized
- 100%-owned subsidiary of Citigroup Inc.
- Initial capital base to be announced when finalized
- Details of the Head Office to be announced when finalized

New Local Holding Company

- Tentative name to be “Citigroup Japan Holdings Ltd.”
(シティグループ・ジャパン・ホールディングス株式会社)
- The commencement of operations of the new holding company is targeted for July 2007
- Representative to be announced when finalized
- 100%-owned subsidiary of Citigroup Inc.
- Initial capital base to be announced when finalized
- Details of the Head Office to be announced when finalized
- Owned subsidiaries, etc. to be announced when finalized