

# our shared responsibilities

## **We have a responsibility to our clients**

We must put our clients first, provide superior advice, products and services, and always act with the highest level of integrity.

## **We have a responsibility to each other**

We must provide outstanding people the best opportunity to realize their potential. We must treat our teammates with respect, champion our remarkable diversity, share the responsibility for our successes, and accept accountability for our failures.

## **We have a responsibility to our franchise**

We must put Citi's long-term interests ahead of each unit's short-term gains and provide superior results for our shareholders. We must respect the local culture and take an active role in the communities where we work and live. We must honor those who came before us and extend our legacy for those who will come after us.

# financial highlights

## CITIGROUP NET INCOME—SEGMENT AND PRODUCT VIEW

in millions of dollars

	2006	2005	% CHANGE
<b>SEGMENT AND PRODUCT INCOME</b>			
<b>GLOBAL CONSUMER</b>			
U.S. Cards	\$3,890	\$2,754	41%
U.S. Retail Distribution	2,027	1,752	16
U.S. Consumer Lending	1,912	1,938	(1)
U.S. Commercial Business	561	729	(23)
<b>Total U.S. Consumer</b>	<b>\$8,390</b>	<b>\$7,173</b>	<b>17%</b>
International Cards	\$1,137	\$1,373	(17)%
International Consumer Finance	40	642	(94)
International Retail Banking	2,840	2,083	36
<b>Total International Consumer</b>	<b>\$4,017</b>	<b>\$4,098</b>	<b>(2)%</b>
Other	\$(351)	\$(374)	6%
<b>Total Global Consumer</b>	<b>\$12,056</b>	<b>\$10,897</b>	<b>11%</b>
<b>CORPORATE AND INVESTMENT BANKING</b>			
Capital Markets and Banking	\$5,763	\$5,327	8%
Transaction Services	1,426	1,135	26
Other	(62)	433	NM
<b>Total Corporate and Investment Banking</b>	<b>\$7,127</b>	<b>\$6,895</b>	<b>3%</b>
<b>GLOBAL WEALTH MANAGEMENT</b>			
Smith Barney	\$1,005	\$871	15%
Private Bank	439	373	18
<b>Total Global Wealth Management</b>	<b>\$1,444</b>	<b>\$1,244</b>	<b>16%</b>
<b>CITIGROUP ALTERNATIVE INVESTMENTS</b>	<b>\$1,276</b>	<b>\$1,437</b>	<b>(11)%</b>
<b>CORPORATE/OTHER</b>	<b>\$(654)</b>	<b>\$(667)</b>	<b>2%</b>
<b>INCOME FROM CONTINUING OPERATIONS</b>	<b>\$21,249</b>	<b>\$19,806</b>	<b>7%</b>
<b>INCOME FROM DISCONTINUED OPERATIONS<sup>1</sup></b>	<b>\$289</b>	<b>\$4,832</b>	<b>(94)%</b>
<b>CUMULATIVE EFFECT OF ACCOUNTING CHANGE<sup>2</sup></b>	<b>-</b>	<b>\$(49)</b>	<b>-</b>
<b>TOTAL NET INCOME</b>	<b>\$21,538</b>	<b>\$24,589</b>	<b>(12)%</b>
<b>DILUTED EARNINGS PER SHARE</b>			
<b>FROM CONTINUING OPERATIONS</b>	<b>\$4.25</b>	<b>\$3.82</b>	<b>11%</b>

<sup>1</sup>2005 includes a \$2.1 billion after-tax gain on the sale of the Travelers Life and Annuities business and a \$2.1 billion after-tax gain on the sale of the Asset Management business.

<sup>2</sup>Accounting change in 2005 of \$(49) million reflects the adoption of FIN 47.

NM—Not Meaningful





# the Citi leadership team

(for names, see last page of this Annual Report)



## Dear Shareholders,

We've come a long way in the last few years. I feel very good about the progress we're making. We're growing our franchise in a more balanced way, with a greater focus on organic growth around the world. We're integrating our businesses and working to provide one face to our clients. Clearly, we have plenty of work to do but we are on a path to stable, long-term growth.

### Investing for Our Future

Citi is now on its way to becoming the company we want it to be, that is, a company that grows by serving clients better...a company agile enough to take advantage of opportunities anywhere in the world...and a company that acts responsibly, with employees who are proud to work here.

In last year's letter to you, I talked about our strategic priorities and how important it is to invest for our future—by expanding our distribution globally, leveraging our organization-wide capabilities across businesses and geographies, integrating our technology toward a common platform to serve clients better, and operating day-to-day as one company.

We made important strides on these strategic goals in 2006, which included:

#### Widening our reach

- Launched our e-banking business, Citibank Direct, which generated close to \$10 billion in deposits
- Partnered with 7-Eleven®, adding 5,500 ATMs throughout the United States; expanded our Cards partner programs to reach more than 80,000 locations in North America, and expanded our presence in 37 countries
- Launched Direct Custody and Clearing services in five new countries

#### Connecting our businesses

- Made progress in bringing the power of one Citi to our Citi Smith Barney, Citibank, CitiMortgage, Citi Cards, and Student Loan clients by offering a broader array of products—retail banking, commercial lending, mortgages, investments—through pilot programs in our Boston and Philadelphia Financial Centers; based on the results, we will refine the model for further expansion across the United States
- Rolled out Bank at Work to eight new countries (*see page 12*)
- Launched a pilot where select CitiFinancial branches offer Citibank products

#### Using technology to better serve clients and lower costs

- Introduced the world's first biometric credit card service in Singapore (*see page 8*) and biometric ATMs in India
- Cut costs by reducing the number of data centers by 20 percent globally
- Leveraged our call centers by having our service representatives not only serve, but offer products to, clients

#### Allocating capital effectively

- Acquired strategically important stakes in Housing Development Finance Corporation Limited (12.3%), Akbank (20%), and Guangdong Development Bank (20%); and announced the acquisitions of Grupo Financiero Uno, Grupo Cuscatlán (*see page 14*), Quilter, and, early in 2007, ABN AMRO Mortgage Group, and Egg Banking plc
- Returned approximately \$17 billion in capital to our owners
- Received Moody's upgrade of Citibank, N.A. to Aaa, a rating that few financial institutions can claim; and early in 2007 received upgrades from Standard & Poor's—raising its credit rating on Citigroup Inc. to AA/A-1+ and also raising the ratings on Citibank, N.A. to AA+

These were just a few of the steps we took in 2006, important progress points. We still have quite a way to go, but we will continue to expand on many of these and other activities in 2007.

#### Our Priorities for 2007

We have three clear objectives for this year:

**Grow U.S. Consumer**—We're working to generate better growth in U.S. Consumer by broadening our product set and expanding our reach. We're also in the second year of a five-year plan to implement a common technology platform that will enable us to serve our U.S. Consumer clients in a seamless fashion as we grow our relationships with them.

**Grow International**—The goal is to focus more of our activities outside the United States, where the opportunities for growth are greatest. We're doing that by, among other activities, opening branches in key markets—approximately 70 percent of our new branches have been in the emerging markets. We are also making targeted acquisitions that fill gaps—for example, Egg Banking plc, the world's largest pure online bank and one of the United Kingdom's leading online financial services providers; and broadening our product capabilities in our Markets and Banking business.

**Improve How We Operate**—While controlling our expenses is central to all we want to accomplish in 2007 and beyond, we want to do more than merely squeeze costs out of what we do now. A fundamental objective is to improve the way we operate—to rethink what we do and how we do it. During the first quarter of 2007, we took a comprehensive look at the structure of our expense base. We are eliminating layers of activity that clog up the system, and this will free up the organization—making us leaner, more agile, and more effective—enabling us to grow revenues faster and enhancing service to our clients.

## Financial Performance

Our bottom-line financial performance in 2006 was good, but not spectacular. Earnings per share from continuing operations were up 11 percent, with net income from continuing operations up seven percent, the positive difference reflecting our return of cash to shareholders through our \$7 billion stock buyback in 2006. Our total shareholder return was nearly 20 percent for the year, a level that placed us in the middle of the pack of a group of financial services companies. Here is a closer look at what worked well and what fell short of expectations.

Revenues were \$89.6 billion, an increase of seven percent but lower than our plan for the year. The shortfall was largely made up on our bottom line by better-than-expected credit results and lower taxes, but a miss is a miss. At one level, it doesn't matter why, but at another level, it's important to understand what happened so that future efforts can have better results. In our case, the revenue miss was largely in our consumer business, partly reflecting a difficult yield curve environment and a consumer-driven shift in loans to lower-yielding home finance loans, and partly reflecting the early stage of our shift to a more organic growth model.

Expenses increased 15 percent, which included three percentage points from an industry-wide accounting change related to equity compensation in early 2006. Excluding this accounting change, expense growth was generally in line with our expectations as we continued to invest aggressively in our organic growth initiatives, including opening an average of three branches a day in 2006.

Helping our bottom-line results were lower credit costs, which reflected the continued favorable credit environment globally, including a very low level of bankruptcy filings in our U.S. Consumer business. We also had tax benefits during the year that led to a lower-than-normal 27.3 percent tax rate.

So, while we ended the year with good bottom line results, how we delivered these results—better credit and taxes—was not how we wanted to get there.

As we look to 2007, we believe the credit environment around the world, with some exceptions, is good, but we are very focused on managing our exposure. We expect moderate deterioration in credit in 2007 and are managing our portfolio accordingly.

We expect to deliver bottom-line growth through a better relationship between revenue and expense growth, and we do not project significant credit "tailwinds" or tax benefits to recur.

## One Citi

As you probably noticed on the cover of this report, we took another important and visible step in the evolution of our company. We've come together—for the first time—under a common brand name: Citi.

Not long ago, Citi brought together many great companies with the promise that we could serve clients better as one organization. Delivering on that promise has taken time, but our progress has been tangible and we have established a common company-wide approach to help us get there.

Today, we stand united as one company, one Citi, with a common brand—a brand that says our clients' success is our success, and that says we are focused on driving winning performance for our clients and providing them with the best service anytime and anywhere they do business with us.

## Global Community Day

On November 18, 2006, our employees marked another important chapter in Citi's rich legacy—the company's first-ever Global Community Day when some 45,000 of us (including friends and family) volunteered our time and talent in 100 countries to help make a difference in the communities where we live and work.

My wife Peggy and I visited a village in Laishui County in China where I taught a class on credit to microfinance officers, she helped paint a school, and together we harvested leeks for one of Citi's microfinance clients. The day was a great success, and plans are underway for our next Global Community Day on November 17, 2007.

## A Word of Thanks

Before I conclude, I would like to thank Dudley Mecum and Ann Jordan for their service on our Board. Both are retiring in April. Dudley joined the board of Commercial Credit, a predecessor company, in 1986. He is the only currently serving director who has been with us on that entire incredible journey, and has been a great contributor to our success. Ann became a director in 1989 when the company was known as Primerica Corporation. She has been an important voice for us, and a wonderful partner whose contributions to Citi will endure.

Finally, let me say a word about President Ford, who served for two decades on our Board. He was a good friend and his counsel was important to our success. He will be deeply missed and never forgotten.

## Summing Up

We have made considerable progress this past year, thanks to the efforts of our 325,000 employees in more than 100 countries. But we have more work ahead. Our goal is to be a more client-driven organization that is more accessible, innovative, and able to strike quickly at the many unique global growth opportunities for Citi.

I firmly believe that we have embarked on an era of renewed growth and that the changes we are making will lead to sustainable growth in shareholder value.

Your support, for which I am very grateful, is critical to the long-term success of our journey. I look forward to seeing you at our annual meeting.



Charles Prince



## Dear Shareholders,

The global economy is in a period of transformative change of historic proportions, including rapid technological development, declining barriers to trade and investment, the spread of market-based economics, the implementation of education and other productivity-enhancing policies in China, India, and other emerging market countries, and, as a consequence, the emergence of China and India not only as potentially large markets, but also as powerful competitors.

This environment of transformative change creates great opportunities for all parts of the global economy, but realizing those opportunities requires sound policies to promote productivity, growth, and broad participation in that growth, and any economy failing to meet those challenges could encounter serious difficulty.

This dynamic environment also creates great opportunities for private sector economic institutions that act dynamically in the face of rapid change, that have the size, scope, and quality to effectively meet client needs, that are truly international in their orientation, and that create an attractive and motivating environment for strong people. And Citi is positioned very well in all of these respects. On the other hand, just as is true for our national political systems, all private sector institutions, including Citi, also face great challenges that must be met in order to realize their potential, and meeting those challenges is at the core of Chuck Prince's focus and leadership.

Those challenges include everything relating to providing exceptional opportunity for outstanding people in all areas; re-engineering projects to meet Citi's control, processing and other purposes as effectively and efficiently as possible; strategic and operational dynamism; finding the right balance between investing for the longer-term and short-term performance; maintaining a culture and processes that will minimize the inevitable occurrence of regulatory and other similar issues; and much else. All of this is within our reach. And the combination of Citi's great strengths and meeting these challenges can create an organization uniquely equipped in the global economy to effectively address the needs of its clients, provide great opportunities to its people, reward its shareholders, and contribute to the economies in which it operates.

I also believe that all of us in the Citi community—employees, shareholders and clients—should get involved in our individual national political systems. Political leaders must make the sound decisions critical for economic success, even when the politics are difficult. And that includes not only focusing on growth, but also on broad participation in that growth and on an appropriate level of economic security for all. These are mutually reinforcing objectives, because market-based economics and trade liberalization will only receive broad public support when the great preponderance of the people believe they are benefiting from these policies. Also, policymakers must recognize that successful, robust private sector institutions, making market-based decisions, are central to the health of national economies and to the global economy.

The global economy has had strong economic conditions and markets for some years now, despite serious financial imbalances, geopolitical risks, and multiple other issues. However, investors, businesses, and policymakers must avoid the temptation for complacency that lies in an extended period of economic and market strength, and recognize not only the opportunities but also the risks in order to operate successfully and to be soundly positioned for the years ahead.

Citi is focused intensely on addressing its own challenges and on bringing its broad product and geographic exposure and great strengths to helping our clients navigate successfully in today's complex environment.

A handwritten signature in black ink, appearing to read 'R. Rubin'.

Robert Rubin



# one citi

The stories of Citi today are stories of collaboration—working across our businesses to find better solutions for our clients.

Here are a few of those stories.



# one more innovation

**When Anand Cavale, Citibank Singapore's Business Director for Credit Payment Products; Nicole Ang, Head of Core Cards; and Nigel Siah, Product Manager, were coming to work every morning last year, it never dawned on them that they were making history.**

But when that first client gently placed her finger on a small scanner at the Coffee Bean & Tea Leaf in Singapore late last year, Anand, Nicole, and Nigel—along with every member of the biometric project team—knew that the way people pay for things could be changing.

Citi had just rolled out the world's first biometric credit card service in Singapore. No longer would holders of Citi's Clear Platinum Card need a credit card to dine, shop, or simply buy a cup of coffee in many of Singapore's retail outlets. Just a fingerprint would do.

Said Nicole: "This is the kind of client innovation that we want to be known for, and to be able to play a small part in making it happen is very gratifying."

Teams of people from across our Cards and Citibank businesses, along with our Operations & Technology specialists, partnered to give clients not only more choices in how they pay, but greater protection against credit card fraud.

"Being the first to do this is terrific," said Nigel, "but we also feel that Citi contributed to changing the credit card market and how clients behave. That's pretty awesome, when you think about it."

The service, of course, has been expanded to other cardholders, and will be coming soon to other locations, but our employees in Singapore take special pride in being there at the beginning.

"This kind of initiative only succeeds," Anand said, "because we have people from various units willing to work together from day one and share their knowledge so we can serve our clients better."



Nigel Siah, Anand Cavale, and Nicole Ang in Singapore



## one great relationship

**It was the kind of deal that highlights the power of one Citi. Last year, faced with a rapidly deteriorating credit rating, General Motors decided to sell a majority of its financing arm, General Motors Acceptance Corporation.**

GMAC had long been a core component of GM and its health was vital to the company. Recognizing the complexity and urgency of the situation, Citi teamed with Cerberus Capital Management to help solve GM's dilemma.

The multi-billion-dollar GMAC deal brought together the expertise and resources of two of our major business lines—Markets and Banking and the Citi Private Equity Group of Citi Alternative Investments (CAI)—on behalf of one of our most valued and long-term clients, General Motors.

"In my 18 years here, this was one of the most exciting and complicated deals I've ever worked on," said Brad Coleman, Co-head, North American Financial Entrepreneurs Group for our Markets and Banking business. "And it played right into the strengths of Citi's equity, fixed income, and investment banking franchise."

A team of people from Citi's various businesses worked on the deal, bringing to the table our unmatched access to the capital markets, our unique institutional knowledge of GM, plus our ability to provide across-the-board solutions from M&A to financing.

"GMAC was a truly collaborative effort, in every sense of that word," said Millie Kim, General Counsel for CAI. To which John Barber, Managing Partner of CAI's Citigroup Private Equity, added: "We provided the whole range of answers to this transaction, answers that played to Citi's unique strengths."

David Head, Managing Director and Co-head, Financial Institutions M&A, put it this way: "We just threw everything the company had at this. And it ultimately proved to be one of our greatest moments."



In the end, Citi brought to bear expertise from across its banking, trading, and investing franchises to help Cerberus acquire a 51 percent stake in GMAC. What's more, Citi's GMAC story became the "Deal of the Year" for *Euromoney* and *Investment Dealers' Digest*.

Millie: "GMAC is one of the reasons why I love working at Citi. I just can't imagine this kind of deal happening someplace else."

Concluded Lenard Tessler, Managing Director and Co-head of Private Equity at Cerberus: "When Citi was given the opportunity to say 'No' to this deal, it never chose that path. Citi decided it was more important to be there for its long-time client, GM. And that was the right thing to do."





# one bank at work

Jose Lopez and Christian Reynolds in New York



Cleo Lymberis and Amanda Malouchou in Athens

**When Amanda Malouchou was asked to start Bank at Work in Greece, she knew this was a unique opportunity.**

“Having a chance to work with some important corporate clients, and bringing our consumer relationship skills to the corporate side of the business, gave us a chance to help the business grow in a very different way,” said Amanda, our consumer business Alternative Distribution Director in Greece.

The shared vision of our Markets and Banking and Global Consumer Group teams created Bank at Work, one of Citi’s most innovative programs, which offers retail banking services to employees of our corporate clients.

But more than that, it demonstrates the power of what can happen when our businesses work together for a common purpose.

“It’s a win-win for everybody, that’s what it is,” said Jose Lopez, Alliance Products Manager for our Markets and Banking business. “Our corporate clients are happy because their employees are well served—and that, in turn, enhances our relationships; and our consumer business is accessing thousands of new clients who are taking advantage of our great products.”

Take, for example, longtime corporate client Chartered Semiconductors in Singapore. In the first 90 days after signing on to Bank at Work, we opened a branch at its workplace and some 1,300 accounts, too. Globally, Bank at Work has 12,000 companies enrolled and 1.5 million clients.


“It’s just smart business,” Christian Reynolds, Business Development Manager in our consumer business, said. “We have so much talent and expertise to offer each other. In the end, it’s the clients who have the most to gain.”

Said Cleo Lymberis, who heads the Global Transaction Services corporate team in Greece: “I must say, when we get a chance to really make a difference for our clients, it makes coming to work fun every morning.”



one more foothold





It started with the Panama Canal. And 102 years later, it culminated in the acquisitions of Grupo Financiero Uno and Grupo Cuscatlán, important steps that gave Citi its most expansive foothold ever in the growing retail markets of Central America.

The story of Citi in the region goes back to 1904 when our predecessor company, the International Banking Corporation (IBC), opened a corporate banking office in Panama to help fund the building of the Panama Canal.

Soon afterward, we built one of the most successful corporate banking businesses in the region. And today, a century later, this on-the-ground presence has paved the way for our consumer business to enter the same region—through the acquisition of Grupo Financiero Uno, and shortly thereafter the acquisition of Grupo Cuscatlán, which further strengthened our corporate bank.

“These are examples of what we mean when we talk about one Citi, and how our different businesses—even when they serve different clients—can help grow the other,” Raul Anaya, our Latin America Global Consumer Group Head, said. “Our corporate bankers have been in the region for a long time, so they will make it that much easier for our new consumer bankers to move right in.”

Added Fernando Quiroz, Head of Markets and Banking in Latin America: “These acquisitions represent significant growth opportunities for our Markets and Banking as well as our Global Consumer franchises in Central America.”

By acquiring Central America’s largest credit card issuer in Grupo Financiero Uno, we strongly extended our card business in a region where the card market has grown nearly 30 percent annually over the last few years.

The complementary purchase of Grupo Cuscatlán (which, like Grupo Financiero Uno, is subject to local and U.S. regulatory approvals) allows us to establish a strong platform for growth in the years ahead in our corporate banking, consumer financing, and retail banking businesses.

Said Raul: “These acquisitions change the landscape for us. And working with Fernando and his team on deals this important is why working here can be so stimulating.”



one powerful team



The date was November 2, 2006 and something very different was about to happen as the doors opened to our new branch at 491 Boylston Street in Boston.

Not only was this Citibank's first foray into the Boston marketplace, but we were about to begin an important pilot, which if successful, could reach beyond Boston and touch many of America's most important markets.

This same Citi branch would include Citi Smith Barney, our premier wealth management business, bringing together our banking and brokerage services in the same location and ending a year in which we opened a record number of branches around the world.

In effect, this pilot program would help showcase the power of one Citi to our Citibank and Citi Smith Barney clients in Boston (also in Philadelphia) by offering them a broader array of retail banking, commercial lending, mortgages, and investment products.

Anne Greenwood, who manages the Citi Smith Barney side of the business, and Tim Sullivan, who runs the Citibank side, knew they were in on something important.

"It's exciting—and a little nerve-wracking—to pioneer new ways of growing our company and changing how we reach out to and serve clients," Anne said.

Tim agreed: "If we're successful—and I've no doubt we will be—what we're doing here could help grow the business significantly. Imagine the possibilities when we put more and more of the company's resources and products at our clients' easy disposal."

Tim's point was underscored a few weeks after the opening. A woman entered the branch to ask about CD rates. After fielding a few questions about her banking relationship, the service rep—realizing the woman also needed wealth management services—simply walked her across the branch floor to the Citi Smith Barney rep. Soon after, she transferred a considerable sum to Citi Smith Barney.

That might never have happened had it been Citibank or Citi Smith Barney alone.

For more than 40 years, Citi has played an important role in the microfinance movement. This commitment has been significantly strengthened in recent years, highlighted by our transaction for BRAC.

In a landmark deal, the Citi Microfinance Group, Citi in Bangladesh, and other partners, closed on the world's first AAA-rated local currency microcredit securitization for BRAC—the world's largest national antipoverty, nongovernmental organization serving more than five million mostly female members in Bangladesh.

A significant deal for the microfinance industry, it gives BRAC access to \$180 million of financing over six years, enabling it to provide more financing to more micro-entrepreneurs than ever before.

“We brought the power and capabilities of high finance to some 1.2 million poor households,” said Shams Zaman, Head of Structured Finance, Corporate Banking, in Bangladesh. “What an amazing feeling it is to do a business transaction like this and, at the same time, support hundreds of thousands of people who most need access to financing.”

Considered one of the world's largest microcredit financings and among the most innovative, the deal demonstrated how Citi can leverage its local presence to deliver world-class solutions, ultimately providing funding that would have cost BRAC much more had it borrowed commercially in Bangladesh.

The BRAC deal again showed the power of partnership within Citi. Citi Bangladesh led the transaction working locally with BRAC, the regulators, and local partners. Citi's Microfinance Group provided financing expertise, while our Global Consumer business contributed local due diligence—assessing BRAC's microloan credit policies, processes, reporting, and information systems. Finally, our Securitization Group provided structuring expertise and its Export Finance Group worked closely with global institutional partners and investors, FMO (Netherlands), and KfW (Germany) to conclude the transaction.

At a time when the role of microfinance in promoting global peace and prosperity has been recognized by the Nobel Foundation, deals like BRAC are the wave of the future.

Shams: “BRAC will be replicated many times over, so more microentrepreneurs can finally realize their dreams.”





one more solution

Shams Zaman and a microloan client in Bangladesh

Citi was built on the vision of a highly diversified financial services company that could act as one to deliver solutions to clients throughout the world. In 2006, we saw marked progress on our key objectives:

### Becoming more accessible to our clients

- Opened nearly 1,200 new retail bank and consumer finance branches around the world
- Launched an ATM partnership with 7-Eleven® and expanded our Cards partnerships with, among others, Shell and The Home Depot—each designed to attract more clients and deepen relationships with them
- Introduced Direct Custody and Clearing services in Cyprus, Sweden, Israel, Slovakia, and Vietnam
- Launched Citibank Direct, our online bank, bringing in close to \$10 billion in deposits in the U.S. in the first nine months
- Opened Markets and Banking offices in Kuwait and Dubai
- Pioneered securities lending in Taiwan
- Expanded Global Equities into Russia, India, the Middle East, Brazil, and Canada

### Investing where opportunities for growth are highest

- Expanded our presence in Central America and established a strong platform for future growth in our retail and corporate businesses by acquiring Grupo Financiero Uno and Grupo Cuscatlán (see page 14)
- Broadened our reach in one of the world's fastest-growing markets, Turkey, by acquiring a 20 percent stake in Akbank, its third-largest and most profitable bank
- Expanded our presence in China with a 20 percent stake in Guangdong Development Bank
- Acquired Egg Banking plc, an important step toward broadening our international Consumer banking business
- Deepened our presence in India by raising our stake in Housing Development Finance Corporation Limited (HDFC) to 12.3 percent
- Completed the acquisition of the Federated Department Stores, Inc. portfolio and now manage 37 million accounts and \$8.3 billion in assets for this leading retailer

### Serving clients as one company

- Brought the power of one Citi to our Citi Smith Barney, Citibank, CitiMortgage, Citi Cards, and Student Loan clients by offering a broader array of products—retail banking, commercial lending, mortgages, investments—through pilot programs in our Boston and Philadelphia Financial Centers
- Worked with our Consumer Lending Group to deepen client relationships, including offering Citi home equity loans to Cards clients
- Began offering Citibank products in select CitiFinancial branches in the U.S.
- Offered home equity loans and Citi credit cards through Citi Smith Barney branches
- Started Bank at Work in eight countries: Chile, Czech Republic, Korea, Malaysia, Pakistan, the Philippines, Singapore, and Turkey
- Created partnership between Global Transaction Services and Citi Smith Barney to distribute stock plan proceeds in local currency in more than 130 countries
- Launched a Hedge Fund initiative to connect experts across Markets and Banking to better serve this important client segment

### Using technology to serve our clients better and lower our costs

- Launched biometric credit card service in Singapore and biometric ATMs for microfinance clients in India so clients can transact with the touch of a finger (see page 8)
- Increased online security by implementing enhanced authentication for sensitive transactions over the Internet and other online channels—the only major financial institution to do this globally
- Made strategic investments in our equities platform, including investments in the Boston, Philadelphia, and National Stock Exchanges and the purchase of an electronic communications network that provides state-of-the-art technology for immediate access to liquidity
- Reduced the number of our data centers around the world by 20 percent
- Consolidated our call centers for greater efficiency

As international markets continue to grow, Citi is focusing more than ever on opportunities outside the United States. Our Citi Country Officers are our most important links to those markets, our ambassadors in each of the locations where we do business.

#### CITI COUNTRY OFFICERS

<b>Algeria</b> Kamel B. Driss	<b>Cameroon</b> Asif Zaidi	<b>El Salvador</b> Gijs Bert Veltman	<b>Indonesia</b> Peter B. Eliot	<b>Macau</b> <i>see Hong Kong</i>	<b>Portugal</b> Paulo Gray	<b>Thailand</b> Gary Newman
<b>Argentina</b> Juan Bruchou	<b>Canada</b> Kenneth E. Quinn	<b>Finland</b> Kari Laukkanen	<b>Ireland</b> Aidan M. Brady	<b>Malaysia</b> Piyush Gupta	<b>Puerto Rico</b> Alvaro Jaramillo	<b>Trinidad &amp; Tobago</b> Dennis Evans
<b>Aruba</b> <i>see Venezuela</i>	<b>Cayman Islands</b> <i>see Bahamas</i>	<b>France</b> Jean-Claude Gruffat	<b>Israel</b> Ralph Shaaya	<b>Mexico</b> Manuel Medina-Mora	<b>Qatar</b> Farhan Mahmood	<b>Tunisia</b> David Garner
<b>Australia</b> Les Matheson	<b>Channel Islands (Jersey)</b> Philip Hooper	<b>Gabon</b> Funmi Ade-Ajayi	<b>Italy</b> Giuliano Malacarne	<b>Morocco</b> Nuhad K. Saliba	<b>Romania</b> Shahmir Khaliq	<b>Turkey</b> Steve Bideshi
<b>Austria</b> Helmut Gottlieb	<b>Chile</b> Fernando Concha	<b>Germany</b> Susan S. Harnett	<b>Ivory Coast (Côte d'Ivoire)</b> Jamal Hussein	<b>Netherlands</b> Freddy Boom	<b>Russia</b> Mark T. Robinson	<b>Uganda</b> Shirish S. Bhide
<b>Bahamas</b> Margaret A. Butler	<b>China</b> Richard D. Stanley	<b>Ghana</b> Joseph Carasso	<b>Jamaica</b> Peter Moses	<b>New Zealand</b> Mark A. Fitzgerald	<b>Senegal</b> Charles Kie	<b>Ukraine</b> Nadir Shaikh
<b>Bahrain</b> Mayank Malik	<b>Colombia</b> Franco Moccia	<b>Greece</b> Christos Sorotos	<b>Japan</b> Douglas L. Peterson	<b>Nigeria</b> Emeka Emuwa	<b>Singapore</b> Catherine Weir	<b>UAE</b> Mohammed Al-Shroogi
<b>Bangladesh</b> Mamun Rashid	<b>Congo</b> Michel Losembe	<b>Guam</b> Madhusudhan Seshadri	<b>Jordan</b> Ziyad A. Akrouk	<b>Norway</b> Pål Rokke	<b>Slovakia</b> Igor Tham	<b>United Kingdom</b> Michael J. Kirkwood
<b>Barbados</b> <i>see Trinidad &amp; Tobago</i>	<b>Costa Rica</b> Jorge Mora	<b>Guatemala</b> Juan A. Miro	<b>Kazakhstan</b> Daniel J. Connelly	<b>Pakistan</b> Zubyr Soomro	<b>South Africa</b> Zdenek Turek	<b>Uruguay</b> Daniel Varese
<b>Belgium</b> José de Peñaranda de Franchimont	<b>Czech Republic</b> Javed Kureishi	<b>Haiti</b> Gladys M. Coupet	<b>Kenya</b> Ade Ayeyemi	<b>Panama</b> Francisco Conto	<b>Spain</b> Sergio de Horna	<b>Venezuela</b> Francisco Aristeguieta
<b>Bolivia</b> Federico Elewaut	<b>Denmark</b> Mark Luscombe	<b>Honduras</b> José Luis Cortés	<b>Korea (South)</b> Yung-Ku Ha	<b>Paraguay</b> Ignacio Morello	<b>Sri Lanka</b> Kapila Jayawardena	<b>Vietnam</b> Charly Madan
<b>Brazil</b> Gustavo Marin	<b>Dominican Republic</b> Máximo R. Vidal	<b>Hong Kong</b> T.C. Chan	<b>Kuwait</b> Raj Dvivedi	<b>Peru</b> <i>to be named</i>	<b>Sweden</b> Clas Ronnlov	<b>Virgin Islands</b> <i>see Puerto Rico</i>
<b>Brunei</b> Glen R. Rase	<b>Ecuador</b> Bernado J. Chacin	<b>Hungary</b> Sajjad Razvi	<b>Lebanon</b> Walter Siouffi	<b>Philippines</b> Sanjiv Vohra	<b>Switzerland</b> Per Etholm	<b>Zambia</b> Saviour Chibiya
<b>Bulgaria</b> Stefan Ivanov	<b>Egypt</b> Elia Samaha	<b>India</b> Sanjay Nayar	<b>Luxembourg</b> Marc Pecquet	<b>Poland</b> Slawomir S. Sikora	<b>Taiwan</b> Morris Li	
					<b>Tanzania</b> <i>to be named</i>	

Note: Countries and territories where Citi does business but that have no designated Citi Country Officer are not reflected in the above list.



Indonesia



Japan



New York



Bahamas



Mexico



Netherlands



Brazil



Baltimore



China



Barbados

# one global community

making the world just a little bit better

On November 18, 2006, more than 45,000 Citi employees with their friends and families participated in volunteer activities in 475 cities in 100 countries.





Poland



Taiwan



Turkey



China



United Kingdom



Korea



Ecuador



Peru



India



Kenya

**500,000** lives were improved, **100,000** meals were served,  
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**All of it in just one day.**

# the Citi leadership team

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Senior Risk Officer

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**9. Robert Morse**

CEO, Asia Pacific  
Markets and Banking

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Global Consumer Group—North America;  
CEO, Citibank Texas

**11. Chuck Prince**

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**12. Sir Win Bischoff**

Chairman, Citigroup Europe

**13. Douglas L. Peterson**

Chairman & CEO, Citibank Japan

**14. Manuel Medina-Mora**

Chairman & CEO, Latin America & Mexico,  
CEO, Banamex

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**16. Michael Klein**

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CEO, Global Transaction Services

**18. Paco Ybarra**

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& Commodities

**19. Bonnie Howard**

Chief Auditor

**20. Robert Druskin**

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**21. Geoffrey O. Coley**

Co-head, Fixed Income, Currencies,  
& Commodities

**22. Zion Shohet**

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Director & Chairman, Executive Committee

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**30. Alan S. MacDonald**

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**32. Thomas G. Maheras**

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Co-head, Global Investment Banking

**35. Vikram A. Atal**

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**36. Ajay Banga**

Chairman & CEO  
Global Consumer Group—International

**37. William R. Rhodes**

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Chairman, President & CEO, Citicorp Holdings  
Inc.; Senior Vice Chairman, Citigroup Inc.

**38. Hans Morris**

CFO; Head, Finance, Technology & Operations  
Markets and Banking

**39. Leah C. Johnson**

SVP, Global Corporate Affairs

**40. Randolph H. Barker**

Co-head, Fixed Income, Currencies,  
& Commodities

**41. Sallie L. Krawcheck**

CFO

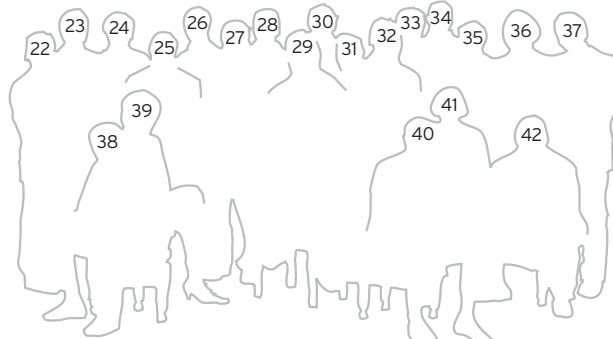
**42. Steven J. Freiberg**

Chairman & CEO, Global Consumer  
Group—North America

*not pictured:*

**Stephen Bird**

CEO, Asia Pacific, Global Consumer Group



(see pages 2–3 for photo)

# the Citi Board of Directors

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