



Comptroller of the Currency
Administrator of National Banks

880 Third Avenue, 5th Floor
New York, NY 10022
212-527-1020

January 31, 2005

David Bushnell, Senior Risk Officer
399 Park Avenue, 2nd Floor
New York, NY 10043

Dear Mr. Bushnell:

Attached please find our conclusion memorandum for our review of Citigroup Risk Management (CRM). Our objectives were to assess the overall effectiveness of Citigroup Risk Management from a top-level perspective.

We found that CRM provides satisfactory oversight of credit and market risks, subject to issues identified and recommendations made during recent examinations. However, broader risk management practices need strengthening to help prevent the recurring control failures impacting the company. CRM should expand risk processes to provide a more comprehensive, enterprise-wide view of risk management. Its processes and mandate should be modified to incorporate the identification of issues that span businesses and the root causes of breakdowns.

A number of Matters Requiring Attention are contained in the attached conclusion memorandum. Please provide a response addressing each of these matters within 45 days of the receipt of this letter.

I would like to thank you and your staff for the time and cooperation provided during the examination. Please contact me on 212-527-1044 should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alfred P. Crumlish'.

Alfred P. Crumlish
Senior National Bank Examiner
Large Bank Supervision

cc: M. Armstrong, R. Willumstad, C. Prince