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September 8, 2005

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - National Instrument 44-101, s. 15.1(eligibility relief) - Exemption granted to credit support issuer from the requirement that its credit supporter have a 12-month reporting issuer history in a Canadian jurisdiction and that it includes certain information in its prospectus - The credit supporter is registered under the 1934 Act and is eligible to use MJDS to distribute approved rating non-convertible debt in Canada; the issuer will incorporate into its prospectus certain continuous disclosure documents of its credit supporter in place of its own continuous disclosure - (non-essential 8-K relief) – Exemption granted to credit support issuer from having to incorporate by reference certain documents of its credit supporter in its short form prospectus under NI 44-101 - the credit support issuer will incorporate all Forms 8-K filed by its credit supporter except non-essential Forms 8-K that are unrelated to the credit support issuer and do not provide useful information to Canadian investors

National Instrument 44-102, 11.1 - Exemption granted to a credit support issuer from the requirement to update earnings coverage ratios - The credit supporter is registered under the 1934 Act and is eligible to use MJDS to distribute approved rating non-convertible debt in Canada; the issuer will incorporate into its prospectus certain continuous disclosure documents of its credit supporter in place of its own continuous disclosure

National Instrument 51-102, s. 13.1 – Exemption granted to a credit support issuer to permit it to rely on the continuous disclosure documents of its credit supporter - The issuer can comply with all of the conditions for continuous disclosure relief in section 13.4 of National Instrument 51-102 Continuous Disclosure Obligations except:

- (a) it will not file copies of Forms 8-K filed by its credit supporter that are unrelated to the credit support issuer and that would not have to be filed under Canadian material change reporting requirements; and
- (b) it prepares a non-classified balance sheet and so cannot provide the selected financial information required under subsection 13.4(2)(g)

Applicable British Columbia Provisions

National Instrument 44-101, s. 2.5, 11.1 and 15.1

National Instrument 44-102, s. 2.5, 8.4 and 11.1

National Instrument 51-102, s. 13.1 and 13.4

In the Matter of
the Securities Legislation

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of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Nunavut, Northwest Territories and Yukon Territory (the “Jurisdictions”)

and

In the Matter of
the Mutual Reliance Review System for Exemptive Relief Applications

and

In the Matter of Citigroup Inc.
 (“Citigroup”)

and

Citigroup Finance Canada Inc.
(the “Issuer” and together with Citigroup, the “Filers”)

MRRS Decision Document

Background

The Issuer proposes to distribute in the Jurisdictions (the “Proposed Offering”) non-convertible medium term notes (the “Notes”) which are fully and unconditionally guaranteed by Citigroup pursuant to a short form base shelf prospectus (the “Shelf Prospectus”) and a pricing supplement or supplements (each a “Supplement”, and together with the Shelf Prospectus, the “Prospectus”).

The Issuer may distribute in the future Notes pursuant to renewal short form base shelf prospectuses and, if applicable, prospectus supplements and pricing supplements (collectively, “Renewal Prospectuses”) upon the lapse of the Prospectus and Renewal Prospectuses or by filing additional short form base shelf prospectuses and, if applicable, prospectus supplements and pricing supplements (collectively, the “Future Offerings”), in one or more of the Jurisdictions.

The local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions has received an application from Citigroup and its wholly-owned indirect subsidiary, the Issuer, for a decision pursuant to the securities legislation of the Jurisdictions (the “Legislation”) that:

1. the Issuer is exempt from:

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- (i) except in Prince Edward Island and the Northwest Territories, the application of National Instrument 51-102 – *Continuous Disclosure Obligations* (“NI 51-102”), pursuant to section 13.1 of NI 51-102 (the “NI 51-102 Relief”); and
 - (ii) except in British Columbia and Prince Edward Island, the application of Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings* (“MI 52-109”), pursuant to section 4.5 of MI 52-109 (the “MI 52-109 Relief”); and
- 2. the Filers are exempt from:
 - (i) the requirements in subsection 2.5(1) of National Instrument 44-101 – *Short Form Prospectus Distributions* (“NI 44-101”) and subsection 2.5(1) of National Instrument 44-102 – *Shelf Distributions* (“NI 44-102”) that the person or company guaranteeing the Notes issued by the Issuer be a reporting issuer with a 12-month reporting history in each Jurisdiction and have a “current AIF” (as defined in NI 44-101) in order to qualify to file a prospectus in the form of a short-form prospectus for a distribution of guaranteed non-convertible securities in the Jurisdictions, pursuant to section 15.1 of NI 44-101 and section 11.1 of NI 44-102 (the “Eligibility Requirement Relief”);
 - (ii) the requirement that the Prospectus and any Renewal Prospectus or short form base shelf prospectus filed in connection with other Future Offerings include the information set forth in items 7, 12.1(1), 12.2 and 13.1 of Form 44-101F3, pursuant to section 15.1 of NI 44-101 (the “Prospectus Requirements Relief”);
 - (iii) the requirements in section 8.4 of NI 44-102 requiring the calculation and filing of updated earnings coverage ratios each time the Issuer prepares interim financial statements or audited annual financial statements, pursuant to section 11.1 of NI 44-102 (the “Earnings Coverage Ratio Relief”); and
 - (iv) the requirement in item 13.2(2) of Form 44-101F3 that the Issuer incorporate by reference in the Prospectus and any Renewal Prospectus or short form base shelf prospectus filed in connection with other Future Offerings all documents that would be required to be incorporated by reference in a Form S-3 or Form F-3 registration statement filed under the 1933 Act if the securities distributed under the Prospectus, Renewal Prospectus or other short form base shelf

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prospectus were being registered on Form S-3 or Form F-3 (the “Form 44-101F3 Relief”).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 – *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filers:

1. Citigroup is a corporation incorporated under the laws of the State of Delaware in 1988.
2. Citigroup is a leading global financial services company, has some 200 million customer accounts and does business in more than 100 countries, providing consumers with a broad range of financial products and services.
3. Citigroup is a reporting issuer or the equivalent in Ontario, Quebec and Saskatchewan. Citigroup intends to apply to cease to be a reporting issuer in Ontario, Quebec and Saskatchewan by September 30, 2005.
4. Citigroup is not in default of any requirement under the Legislation of such Jurisdictions.
5. In the Citigroup Quarterly Report on Form 10-Q filed on August 4, 2005 in respect of the financial period ended June 30, 2005, Citigroup presented, as discontinued operations, Citigroup’s Travelers Life & Annuities business, which was sold to MetLife, Inc. on July 1, 2005, and Citigroup's Asset Management business, the sale of substantially all of which to Legg Mason, Inc. was announced on June 24, 2005 and is expected to close during the fourth quarter of 2005. In accordance with regulatory requirements prescribed by the United States Securities and Exchange Commission, Citigroup will file a Current Report on Form 8-K to conform its historical financial statements for the fiscal year ended December 31, 2004 to reflect these changes in Citigroup's operations and to conform the historical financial statements to the presentation followed in the Citigroup Form 10-Q filed on August 4, 2005 (the “Recasting”). The information that will be

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included in the Form 8-K will not in any way restate or revise Citigroup's net income in any previously reported financial statements and is not a material change in respect of Citigroup's guarantee of the Issuer's medium term notes.

6. Citigroup is a reporting company under the 1934 Act.
7. Citigroup has filed with the SEC all filings required to be made with the SEC under the 1934 Act within the last 12 months.
8. In connection with takedowns under a Citigroup base shelf prospectus in the U.S., Citigroup is required to file with the SEC current reports on Form 8-K whose contents are comprised solely of exhibits attaching the form of securities for each such takedown and the terms of the security issued in such takedown, each of a non-financial nature (the "Non-Essential 8-Ks"). The Non-Essential 8-Ks are publicly available on the SEC's Internet website at www.sec.gov.
9. As at December 31, 2004, Citigroup had approximately US\$208 billion in consolidated third party long term debt outstanding.
10. The Issuer was incorporated under the *Canada Business Corporations Act* on October 19, 1982, and is a wholly-owned indirect subsidiary of Citigroup. The head office of the Issuer is in London, Ontario.
11. The Issuer is a reporting issuer or equivalent in each of the Jurisdictions where such status exists and is not in default of any requirement under the Legislation.
12. The Issuer is engaged in commercial finance, consumer finance and credit card activities. The Issuer's commercial finance operations provide a variety of retail financing, leasing and wholesale financing for heavy-duty, medium-duty trucks and truck trailers; heavy-duty construction and material handling equipment, forestry, mining and machine tool equipment; and other industrial, communications and telecommunications equipment. Consumer finance operations consist of a variety of products and services, including home equity lending, personal spending and retail sales financing. The credit card operations provide financing for private label credit card portfolios.
13. The Issuer has maintained a medium term note program in the Jurisdictions by way of short form shelf prospectus for more than six years.

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14. As of August 15, 2005, the Issuer had \$5,225,000,000 in non-convertible debt securities outstanding (the “Existing Debt”).
15. The Issuer proposes to file a Prospectus in each of the Jurisdictions to renew the Issuer’s medium term note program and to qualify the distribution of Notes. The Issuer intends to effect Future Offerings by way of either filing Renewal Prospectuses upon the lapse of the Prospectus and each Renewal Prospectus or by filing additional short form base shelf prospectuses in one or more of the Jurisdictions.
16. The Notes will be fully and unconditionally guaranteed by Citigroup such that a holder of Notes will be entitled to receive payment from Citigroup within 15 days of any failure by the Issuer to make a payment.
17. The Notes will have an approved rating (as defined in NI 44-101) (“Approved Rating”). Specifically, the Notes are expected to be rated “AA (high)” by Dominion Bond Rating Service Limited and “AA-” by Standard & Poor’s Corporation.
18. The Issuer may from time to time access Canadian debt capital markets other than by way of the Prospectus, Renewal Prospectuses or short form base shelf prospectuses filed in connection with other Future Offerings.
19. Citigroup satisfies the criteria set forth in paragraph 3.1(a) of National Instrument 71-101 – *The Multijurisdictional Disclosure System* (“NI 71-101”) and is eligible to use the multijurisdictional disclosure system (“MJDS”), as set out in NI 71-101, for the purpose of distributing non-convertible debt that has an investment grade rating in Canada based on compliance with United States prospectus requirements with certain additional Canadian disclosure.
20. Except for the fact that the Issuer is not incorporated under United States law, an offering of Notes by the Issuer in the Jurisdictions would comply with the alternative eligibility criteria for offerings of non-convertible debt having an investment grade rating under the MJDS as set forth in section 3.2 of NI 71-101.
21. The Issuer is ineligible to issue the Notes by way of a prospectus in the form of a short form base shelf prospectus under NI 44-101 and NI 44-102 as Citigroup (as credit supporter of the Notes) is not a reporting issuer with a 12 month reporting issuer history in each Jurisdiction, other than Ontario, Quebec and Saskatchewan, and the Issuer does not have a current AIF.

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Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met.

NI 51-102 Relief

The decision of the Decision Makers (other than the Decision Makers in Prince Edward Island and the Northwest Territories) under the Legislation is that the NI 51-102 Relief is granted, provided that:

- (a) the Issuer is in compliance with the requirements and conditions of section 13.4 of NI 51-102, other than the requirements in paragraphs 13.4(2)(d) and (g);
- (b) the Issuer files with the Decision Makers copies of all documents Citigroup is required to file with the SEC under the 1934 Act, other than the Non-Essential 8-Ks, at the same time or as soon as practicable after the filing by Citigroup of those documents with the SEC;
- (c) the Issuer files through SEDAR within 120 days of each financial year (or within 90 days of each financial year if the Issuer is not a venture issuer at the end of the financial year) annual comparative selected financial information for the financial year and the financial year immediately preceding the financial year derived from its financial statements, prepared in accordance with Canadian GAAP and accompanied by a specified procedures report of the auditors to the Issuer;
- (d) the Issuer's annual comparative selected financial information referred to in subparagraph (c) above, includes the following line items:
 - (i) total revenues;
 - (ii) income/loss from continuing operations (if applicable), income/loss from discontinued operations (if applicable) and net income/loss;
 - (iii) finance receivables, together with a descriptive note on the dollar amount of the allowance for credit losses;
 - (iv) operating agreements and customer lists, net of accumulated amortization;
 - (v) goodwill, net of accumulated amortization;
 - (vi) total assets;

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- (vii) commercial paper;
 - (viii) term debt;
 - (ix) all other liabilities; and
 - (x) total shareholders' equity;
- (e) the Issuer files through SEDAR within 60 days of each interim period (or within 45 days of each interim period if the Issuer is not a venture issuer at the end of the interim period) interim comparative selected financial information for the interim period and for items (i) and (ii) of paragraph (f) below the corresponding interim period in the previous financial year and for items (iii) through (x) of paragraph (f) below, as at the end of the previous financial year, with all such information derived from the Issuer's financial statements prepared in accordance with Canadian GAAP;
- (f) the Issuer's interim comparative selected financial information referred to in subparagraph (e) above, includes the following line items:
- (i) total revenues;
 - (ii) income/loss from continuing operations (if applicable), income/loss from discontinued operations (if applicable) and net income/loss;
 - (iii) finance receivables, together with a descriptive note on the dollar amount of the allowance for credit losses;
 - (iv) operating agreements and customer lists, net of accumulated amortization;
 - (v) goodwill, net of accumulated amortization;
 - (vi) total assets;
 - (vii) commercial paper;
 - (viii) term debt;
 - (ix) all other liabilities; and
 - (x) total shareholders' equity; and
- (g) the NI 51-102 Relief will remain in effect for so long as the Issuer's presentation of a non-classified balance sheet that does not segregate its assets and liabilities between current and non-current remains permissible under Canadian GAAP.

MI 52-109 Relief

The further decision of the Decision Makers (other than the Decision Makers in British Columbia and Prince Edward Island) under the Legislation is that the MI

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52-109 Relief is granted, provided that the Issuer is in compliance with the conditions set out in paragraphs (a) through (g) relating to the NI 51-102 Relief.

Eligibility Requirement Relief, Prospectus Requirements Relief and Earnings Coverage Ratio Relief

The further decision of the Decision Makers under the Legislation is that the Eligibility Requirement Relief is granted in connection with the Proposed Offering and the Prospectus Requirements Relief and the Earnings Coverage Ratio Relief is granted in connection with the Proposed Offering and any Future Offering, provided that:

- (a) Citigroup remains the direct or indirect beneficial owner of all of the issued and outstanding voting securities of the Issuer;
- (b) Citigroup satisfies the criteria set out in section 3.1 of NI 71-101 (or any successor provision) and remains eligible to use MJDS (or any successor instrument) for the purposes of distributing non-convertible debt that has an investment grade rating in Canada based on compliance with United States prospectus requirements with certain additional Canadian disclosure;
- (c) Citigroup fully and unconditionally guarantees the payments to be made by the Issuer as stipulated in the terms of the Notes or in an agreement governing the rights of holders of Notes, that results in the holder of such Notes being entitled to receive payment from Citigroup within 15 days of any failure by the Issuer to make a payment;
- (d) the Notes have an Approved Rating;
- (e) the Notes rank pari passu to the Existing Debt;
- (f) the Issuer complies with (i) all other requirements of NI 44-101, except as varied by this decision or as permitted by NI 44-102, and (ii) all other requirements of NI 44-102, except as varied by this decision;
- (g) before the filing of the Prospectus and any Renewal Prospectus or a short form base shelf prospectus in connection with other Future Offerings, Citigroup will file with the Decision Makers, in electronic format under the Issuer's SEDAR profile, the following documents filed by Citigroup with the SEC under sections 13 and 15(d) of the 1934 Act:
 - (i) the most recent annual report of Citigroup on Form 10-K or an equivalent form ("Form 10-K");

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- (ii) the most recent quarterly report of Citigroup on Form 10-Q or an equivalent form ("Form 10-Q");
 - (iii) all current reports of Citigroup on Form 8-K or an equivalent form ("Form 8-K"), other than Non-Essential 8-Ks, in respect of the financial year following the year that is the subject of the most recent annual report on Form 10-K;
- (h) the Prospectus and any Renewal Prospectus or short form base shelf prospectus filed in connection with other Future Offerings will be prepared pursuant to the procedures contained in NI 44-101 and NI 44-102 and will comply with the requirements set out in Form 44-101F3:
 - (i) with the disclosure required by item 12.1(1) of Form 44-101F3 being addressed by incorporating by reference the following documents:
 - (A) the most recent annual report on Form 10-K of Citigroup filed with the SEC;
 - (B) the most recent quarterly report on Form 10-Q of Citigroup filed with the SEC;
 - (C) all current reports on Form 8-K of Citigroup, other than Non-Essential 8-Ks, filed with the SEC in respect of the financial year following the year that is the subject of the most recent annual report on Form 10-K of Citigroup; and
 - (D) any material change reports filed by the Issuer;
 - (ii) with the disclosure required by item 12.2 of Form 44-101F3 being addressed by incorporating by reference the following documents filed with the SEC or the Decision Makers, as applicable, after the date of the Prospectus or any Renewal Prospectus or short form base shelf prospectus filed in connection with other Future Offerings but before the termination of the particular offering:
 - (A) all annual reports on Form 10-K of Citigroup;
 - (B) all quarterly reports on Form 10-Q of Citigroup;
 - (C) all current reports on Form 8-K of Citigroup, other than Non-Essential 8-Ks; and

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- (D) any material change reports of the Issuer;
- (iii) with the disclosure required by item 13.1 of Form 44-101F3 being addressed by incorporating by reference the documents of the Issuer referred to in the conditions set out in paragraphs (c) and (e) relating to the NI 51-102 Relief; and
- (iv) with the disclosure required by item 7 of Form 44-101F3 and section 8.4 of NI 44-102 being addressed by disclosure with respect to Citigroup in accordance with United States requirements;
- (i) the Prospectus and any Renewal Prospectus or short form base shelf prospectus filed in connection with other Future Offerings state that purchasers of Notes will not receive separate continuous disclosure information regarding the Issuer, other than the financial information specified in the conditions set out in paragraphs (c) and (e) relating to the NI 51-102 Relief;
- (j) the Prospectus and any Renewal Prospectus or short form base shelf prospectus filed in connection with other Future Offerings include or incorporate by reference all material disclosure concerning the Issuer and Citigroup as required in accordance with applicable securities laws;
- (k) the consolidated audited annual financial statements and interim financial statements of Citigroup or the Issuer to be included in or incorporated by reference into the Prospectus or any Renewal Prospectus or short form base shelf prospectus filed in connection with other Future Offerings are prepared in accordance with National Instrument 52-107 – *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;
- (l) the Recasting will be completed and filed with the Decision Makers before the Prospectus is filed;
- (m) the Recasting is described in the preliminary prospectus filed in connection with the Proposed Offering;
- (n) Citigroup signs the Prospectus and any Renewal Prospectus or short form base shelf prospectus filed in connection with other Future Offerings as credit supporter;
- (o) until such time as the Notes are no longer outstanding, Citigroup files with the Decision Makers under the Issuer's SEDAR profile copies of all

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documents Citigroup is required to file with the SEC under the 1934 Act, other than the Non-Essential 8-Ks, at the same time or as soon as practicable after the filing by Citigroup of those documents with the SEC;

- (p) if there is a material change in the affairs of the Issuer that is not a material change in the affairs of Citigroup, the Issuer will comply with the requirements of the Legislation to issue a press release and file a material change report; and
- (q) the Prospectus Requirements Relief and Earnings Coverage Ratio Relief as they apply to Future Offerings will cease to be effective when amendments to NI 44-101 and NI 44-102, as applicable, come into force which would have substantially the same effect as the Prospectus Requirements Relief and Earnings Coverage Ratio Relief, as applicable, provided for herein.

Form 44-101F3 Relief

The further decision of the Decision Makers under the Legislation is that the Form 44-101F3 Relief is granted, provided that the Issuer incorporates by reference into the Prospectus and any Renewal Prospectus and short form base shelf prospectus filed in connection with other Future Offerings all documents that would be required to be incorporated by reference in a Form S-3 or Form F-3 registration statement filed under the 1933 Act if the securities distributed under the Prospectus, Renewal Prospectus or other short form base shelf prospectus were being registered on Form S-3 or Form F-3, other than:

- (a) Non-Essential 8-Ks; and
- (b) any quarterly reports on Form 10-Q of Citigroup prior to its most recent quarterly report on Form 10-Q.

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