



CITIGROUP INC.

OFFERS TO EXCHANGE

**Common Stock for any and all of the issued and outstanding Public Preferred Depositary Shares
and
OFFER TO EXCHANGE**

**Common Stock for a number of issued and outstanding Trust Preferred Securities with
an aggregate liquidation amount equal to \$20.5 billion, less the aggregate liquidation
preference of all Public Preferred Depositary Shares accepted for exchange**

Citigroup Inc. is offering to exchange, upon the terms and subject to the conditions set forth in this document and in the applicable letter of transmittal (the "Public Preferred Depositary Exchange Offers"), any and all of the issued and outstanding depositary shares ("Public Preferred Depositary Shares") representing a fraction of a share of the series of Citigroup's preferred stock (the "Public Preferred Stock") listed below for the number of newly issued shares of Citigroup's common stock, par value \$0.01 per share (the "Common Stock"), listed below.

| CUSIP | Title of Securities Represented by Public Preferred Depositary Shares | Aggregate Liquidation Pref. Outstanding | Liquidation Pref. Per Preferred Depositary Share | Exchange Factor (as a % of Liquidation Pref.) | No. of Shares of Common Stock Offered Per Public Preferred Depositary Share ⁽¹⁾ |
|-----------|--|---|--|---|--|
| 172967556 | 8.500% Non-Cumulative Preferred Stock, Series F | \$2,040,000,000 | \$ 25 | 95% | 7.30769 |
| 172967ER8 | 8.400% Fixed Rate/Floating Rate Non-Cumulative Preferred Stock, Series E | \$6,000,000,000 | \$1,000 | 95% | 292.30769 |
| 172967572 | 8.125% Non-Cumulative Preferred Stock, Series AA | \$3,715,000,000 | \$ 25 | 95% | 7.30769 |
| 172967598 | 6.500% Non-Cumulative Convertible Preferred Stock, Series T | \$3,168,650,000 | \$ 50 | 85% | 13.0769 |

⁽¹⁾ Number of shares of Common Stock offered per Public Preferred Depositary Share calculated by multiplying (a) the liquidation preference per Public Preferred Depositary Share by (b) the exchange factor, and dividing this amount by \$3.25, the price at which Citigroup is valuing the Common Stock to be issued in the Exchange Offers (as defined below).

Citigroup is also offering to exchange, upon the terms and subject to the conditions set forth in this document and in the applicable letter of transmittal (the "Trust Preferred Exchange Offer," and together with the Public Preferred Depositary Exchange Offers, the "Exchange Offers"), a number of issued and outstanding Trust Preferred Securities (as defined below) with an aggregate liquidation amount equal to \$20.5 billion, less the aggregate liquidation preference of all Public Preferred Depositary Shares accepted for exchange in the Public Preferred Depositary Exchange Offers, for newly issued shares of Common Stock, in accordance with the assigned Acceptance Priority Levels and subject to prorationing, each as described in this document. At a minimum, we are offering to exchange Trust Preferred Securities with an aggregate liquidation amount of up to approximately \$5.6 billion, assuming each Public Preferred Depositary Exchange Offer is fully subscribed. The table below sets forth, among other things, the series of trust preferred securities that are the subject of the Trust Preferred Exchange Offer (the "Trust Preferred Securities," and together with the Public Preferred Depositary Shares, the "Subject Securities"), the applicable Acceptance Priority Level (representing the order in which we will accept Trust Preferred Securities for exchange) and the number of shares of Common Stock that Citigroup is offering with respect to each Trust Preferred Security.

| Acceptance Priority Level | CUSIP/ISIN | Title of Securities | Issuer | Aggregate Liquidation Amt. Outstanding | Liquidation Amt. Per Trust Preferred Security | Exchange Factor (as a % of Liquidation Amt.) | No. of Shares of Common Stock Offered Per Trust Preferred Security ⁽¹⁾ |
|---------------------------|--------------|---------------------|-------------------------|--|---|--|---|
| 1 | 173094AA1 | 8.300% E-TRUPS® | Citigroup Capital XXI | \$3,500,000,000 | \$1,000 | 95% | 292.30769 |
| 2 | 173085200 | 7.875% E-TRUPS® | Citigroup Capital XX | \$ 787,500,000 | \$ 25 | 95% | 7.30769 |
| 3 | 17311U200 | 7.250% E-TRUPS® | Citigroup Capital XIX | \$1,225,000,000 | \$ 25 | 95% | 7.30769 |
| 4 | 17309E200 | 6.875% E-TRUPS® | Citigroup Capital XIV | \$ 565,000,000 | \$ 25 | 95% | 7.30769 |
| 5 | 17310G202 | 6.500% E-TRUPS® | Citigroup Capital XV | \$1,185,000,000 | \$ 25 | 95% | 7.30769 |
| 6 | 17310L201 | 6.450% E-TRUPS® | Citigroup Capital XVI | \$1,600,000,000 | \$ 25 | 95% | 7.30769 |
| 7 | 17311H209 | 6.350% E-TRUPS® | Citigroup Capital XVII | \$1,100,000,000 | \$ 25 | 95% | 7.30769 |
| 8 | XS0306711473 | 6.829% E-TRUPS® | Citigroup Capital XVIII | £ 500,000,000 | £1,000 | 95% | 418.52615 ⁽²⁾ |
| 9 | 17305HAA6 | 7.625% TRUPS® | Citigroup Capital III | \$ 200,000,000 | \$1,000 | 95% | 292.30769 |
| 10 | 17306N203 | 7.125% TRUPS® | Citigroup Capital VII | \$1,150,000,000 | \$ 25 | 95% | 7.30769 |
| 11 | 17306R204 | 6.950% TRUPS® | Citigroup Capital VIII | \$1,400,000,000 | \$ 25 | 95% | 7.30769 |
| 12 | 173064205 | 6.100% TRUPS® | Citigroup Capital X | \$ 500,000,000 | \$ 25 | 95% | 7.30769 |
| 13 | 173066200 | 6.000% TRUPS® | Citigroup Capital IX | \$1,100,000,000 | \$ 25 | 95% | 7.30769 |
| 14 | 17307Q205 | 6.000% TRUPS® | Citigroup Capital XI | \$ 600,000,000 | \$ 25 | 95% | 7.30769 |

⁽¹⁾ Number of shares of Common Stock offered per Trust Preferred Security calculated by multiplying (a) the liquidation amount per Trust Preferred Security by (b) the exchange factor, and dividing this amount by \$3.25, the price at which Citigroup is valuing the Common Stock to be issued in the Exchange Offers.

⁽²⁾ U.S. dollar equivalent value and number of shares for the 6.829% E-TRUPS® calculated based on the U.S. dollar/U.K. pound exchange rate of \$1.4318, as reported by Bloomberg, on February 27, 2009, the date we announced the Exchange Offers.

Each Exchange Offer will expire at 5:00 p.m., New York City time, on July 24, 2009 (unless we extend such Exchange Offer).

In order to validly tender your Subject Securities in the Exchange Offers, you must follow the instructions contained in the applicable letter of transmittal to take action in favor of certain proposals to be acted on by written consent of the holders of our Common Stock, and if you are tendering Public Preferred Depositary Shares, to make an appropriate certification or take action in favor of certain proposals to be acted on by written consent of the holder of the Public Preferred Stock underlying the Public Preferred Depositary Shares.

The maximum number of shares of Common Stock that could be issued in the Exchange Offers is 5,992,307,693.

Each Exchange Offer is subject to a number of conditions that must be satisfied, or waived by us, on or prior to the expiration date, including that: the United States government (the "USG") and certain private holders of our preferred stock have exchanged preferred stock with an aggregate liquidation preference of at least \$23 billion for newly issued securities of Citigroup; satisfaction of certain conditions to closing of the exchange by the USG of additional preferred stock for newly issued securities of Citigroup based on the level of participation in the Exchange Offers; and that no event has occurred that in our reasonable judgment would materially impair the anticipated benefits to us of the Exchange Offers or that has had, or could reasonably be expected to have, a material adverse effect on us, our businesses, condition (financial or otherwise) income, operations or prospects. None of the Exchange Offers is subject to any minimum tender condition, to completion of any other Exchange Offer or to receiving stockholder approval of the Amendments (as defined herein).

Our Common Stock trades on the New York Stock Exchange (the "NYSE") under the symbol "C."

You are encouraged to read and carefully consider this document in its entirety, in particular the risk factors beginning on page 32 of this document and the "Consequences of Failure to Exchange Subject Securities" on page 62 of this document.

Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of the Exchange Offers or of the securities to be issued in the Exchange Offers or determined if this document is truthful or complete. Any representation to the contrary is a criminal offense.

The Dealer Manager for the Exchange Offers is:

Citi

The date of this document is July 17, 2009

IMPORTANT

If you are a beneficial owner of Subject Securities that are held by or registered in the name of a bank, broker, custodian or other nominee, and you wish to participate in the Exchange Offers, you must promptly contact your bank, broker, custodian or other nominee to instruct it to tender your Subject Securities, to agree to the terms of the applicable letter of transmittal, including the Voting Trust Agreement (as defined below) described therein, and to give the Proxy Instructions (as defined below), Voting Instructions (as defined below) and/or Tender Certification (as defined below) set forth therein. **You are urged to instruct your bank, broker, custodian or other nominee at least five business days prior to the expiration date in order to allow adequate processing time for your instruction.**

We are not providing for guaranteed delivery procedures and therefore you must allow sufficient time for the necessary tender procedures to be completed during normal business hours of DTC (or, in the case of the 6.829% E-TRUPS®, Euroclear or Clearstream) prior to the expiration date. Tenders not received by Mellon Investor Services LLC, d/b/a BNY Mellon Shareowner Services (the “Exchange Agent”) on or prior to the expiration date will be disregarded and of no effect.

We are incorporating by reference into this document important business and financial information that is not included in or delivered with this document. This information is available without charge to security holders upon written or oral request. Requests should be directed to:

Citigroup Document Services
540 Crosspoint Parkway
Getzville, NY 14068
(716) 730-8055 (tel.)
(877) 936-2737 (toll free)

In order to ensure timely delivery of such documents, security holders must request this information no later than five business days before the date they must make their investment decision. Accordingly, any request for documents should be made by July 17, 2009 to ensure timely delivery of the documents prior to the expiration date of the Exchange Offers.

You should rely only on the information contained in or incorporated by reference into this document. We have not authorized anyone to provide you with information that is different. You should assume that the information contained or incorporated by reference in this document is accurate only as of the date of this document or as of the date of the document incorporated by reference, as applicable. We are not making an offer of these securities in any jurisdiction where such offer is not permitted.

Holders Located in the United Kingdom

Within the United Kingdom, this prospectus is only being distributed to, and is only directed at, persons in the United Kingdom that are (a) existing or former employees or directors of Citigroup or its affiliates falling within PR 1.2.2R(5) of the Prospectus Rules of the United Kingdom Financial Services Authority or (b) qualified investors within the meaning of Article 2(1)(e) of Directive 2003/71/EC, that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”), (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order, (iii) members and creditors of certain bodies corporate, falling within Article 43 of the Order or (iv) employees, former employees and other persons falling within Article 60(2)(a) of the Order (all such persons together being referred to as “relevant persons”). This prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

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FORWARD-LOOKING STATEMENTS

This document and the information incorporated by reference in this document include forward-looking statements. These forward-looking statements are based on Citigroup's management's beliefs and assumptions and on information currently available to Citigroup's management and involve external risks and uncertainties, including, but not limited to, those described under "Risk Factors" on page 32 and those described under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2008. Forward-looking statements include information concerning Citigroup's possible or assumed future results of operations and statements preceded by, followed by or that include the words "believes," "expects," "anticipates," "intends," "plans," "estimates" or similar expressions.

Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in these forward-looking statements. Factors that could cause actual results to differ from these forward-looking statements include, but are not limited to, those discussed elsewhere in this document and the documents incorporated by reference in this document. You should not put undue reliance on any forward-looking statements. Except as required by applicable law or regulation, Citigroup does not have any intention or obligation to update forward-looking statements after it distributes this document.

WHERE YOU CAN FIND MORE INFORMATION

Citigroup files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document Citigroup files at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You can also request copies of the documents, upon payment of a duplicating fee, by writing the Public Reference Section of the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. These SEC filings are also available to the public from the SEC's web site at <http://www.sec.gov>.

The SEC allows Citigroup to "incorporate by reference" the information it files with the SEC, which means that it can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this document. Information that Citigroup files later with the SEC will automatically update information in this document. In all cases, you should rely on the later information over different information included in this document. Citigroup incorporates by reference the documents or parts of documents listed below and any documents subsequently filed (but not documents that are furnished, unless expressly incorporated herein by a reference in such furnished document) with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (File No. 1-9924) on or after the date of this document and before the completion of the Exchange Offers:

- (a) Annual Report on Form 10-K for the year ended December 31, 2008;
- (b) Quarterly Report on Form 10-Q for the quarter ended March 31, 2009;
- (c) Current Reports on Form 8-K filed or furnished on January 12, 2009, January 16, 2009 (three reports relating to (i) Citigroup realigning into two businesses, Citicorp and Citi Holdings, (ii) the loss sharing agreement for certain Citigroup assets previously announced between Citigroup and certain government entities and (iii) the entry with Morgan Stanley into a joint venture of its retail brokerage and futures business), January 21, 2009, January 23, 2009 (two reports), February 2, 2009, February 18, 2009 (two reports), February 27, 2009 (relating to these Exchange Offers and a related private exchange offer), March 2, 2009, March 11, 2009, March 19, 2009, March 20, 2009, April 17, 2009 (relating to these Exchange Offers), April 22, 2009, May 4, 2009, May 11, 2009 (relating to the expansion of the Exchange Offers), May 22, 2009 (relating to Citigroup's 8.500% Notes due May 22, 2019), June 3, 2009, June 10, 2009, June 12, 2009, June 18, 2009, June 19, 2009, July 10, 2009, July 15, 2009 and July 17, 2009; and
- (d) the description of Citigroup's Common Stock contained in its Current Report on Form 8-K filed on May 11, 2009.

You may request a copy of these filings, at no cost, by writing or telephoning Citigroup at the following address:

Citigroup Document Services
540 Crosspoint Parkway
Getzville, NY 14068
(716) 730-8055 (tel.)
(877) 936-2737 (toll free)

You should rely only on the information provided in this document and the information incorporated by reference. You should not assume that the information in this document or any documents incorporated by reference is accurate as of any date other than the date of the applicable document.

QUESTIONS AND ANSWERS ABOUT THE EXCHANGE OFFERS

The following are certain questions regarding the Exchange Offers that you may have as a holder of the Subject Securities and the answers to those questions. To fully understand the Exchange Offers and the considerations that may be important to your decision whether to participate, you should carefully read this document in its entirety, including the section entitled “Risk Factors,” as well as the information incorporated by reference in this document. For further information about us, see the section of this document entitled “Where You Can Find More Information.”

What are the key terms of the Public Preferred Depositary Exchange Offers?

- We are offering to exchange newly issued shares of Common Stock for any and all issued and outstanding Public Preferred Depositary Shares, without any prorationing.
- With respect to each Public Preferred Depositary Share, we are offering the number of shares of Common Stock set forth below:

| Title of Securities Represented by Public Preferred Depositary Shares | Number of Shares of Common Stock Offered Per Preferred Depositary Share |
|--|--|
| 8.500% Non-Cumulative Preferred Stock, Series F | 7.30769 |
| 8.400% Fixed Rate/Floating Rate Non-Cumulative Preferred Stock, Series E | 292.30769 ⁽¹⁾ |
| 8.125% Non-Cumulative Preferred Stock, Series AA | 7.30769 |
| 6.500% Non-Cumulative Convertible Preferred Stock, Series T | 13.0769 |

⁽¹⁾ Number of shares of Common Stock offered per \$1,000 liquidation preference.

- We are seeking approval of our stockholders (and holders of Public Preferred Depositary Shares) to modify certain terms of the Public Preferred Stock underlying the Public Preferred Depositary Shares and certain provisions of our restated certificate of incorporation, as amended (the “Certificate of Incorporation”). We are requiring holders of Public Preferred Depositary Shares that participate in the Public Preferred Depositary Exchange Offers to grant a Voting Instruction and a Proxy Instruction to approve such modifications or, if they did not hold their Public Preferred Depositary Shares as of the close of business on June 16, 2009 (the “Preferred Stock Record Date”), to provide a Tender Certification to that effect. See “The Exchange Offers—Purpose and Background of the Transactions—The Amendments.”
- **As previously announced, after the closing of the Exchange Offers, we will suspend dividends on our preferred stock, including the Public Preferred Stock, and we currently intend to seek to delist the Public Preferred Depositary Shares and, to the extent permitted by law, deregister the Public Preferred Stock and Public Preferred Depositary Shares.**
- We are not offering any consideration with respect to undeclared or “accrued” dividends on Public Preferred Depositary Shares tendered and accepted for exchange in the Exchange Offers.

See “The Exchange Offers—Terms of the Public Preferred Depositary Exchange Offers.”

What are the key terms of the Trust Preferred Exchange Offer?

- We are offering to exchange newly issued shares of Common Stock for a number of Trust Preferred Securities with an aggregate liquidation amount equal to \$20.5 billion, less the aggregate liquidation preference of all Public Preferred Depositary Shares accepted for exchange in the Public Preferred Depositary Exchange Offers. We refer to this amount as the “Remaining Amount.”
- The liquidation amount of Trust Preferred Securities that we are offering to exchange is limited to the Remaining Amount. If we receive tenders of Trust Preferred Securities with an aggregate liquidation

amount in excess of the Remaining Amount, we will not be able to accept for exchange all Trust Preferred Securities tendered in the Trust Preferred Exchange Offer and will accept Trust Preferred Securities for exchange only in the order of the Acceptance Priority Level that we have assigned to each series of Trust Preferred Securities and subject to prorationing (each as described below).

- The Remaining Amount cannot be calculated until all of the Public Preferred Depository Exchange Offers have been completed. As a result, at the time you tender your Trust Preferred Securities, you will not know the Remaining Amount or whether that amount will be sufficient to allow us to exchange any tendered Trust Preferred Securities in Acceptance Priority Levels 4 to 14. In any event, the Remaining Amount will be enough such that Citigroup is offering to exchange any and all issued and outstanding 8.300% E-TRU^{PS}®, 7.875% E-TRU^{PS}® and 7.250% E-TRU^{PS}®, comprising Acceptance Priority Levels 1, 2 and 3, without prorationing. In the event that less than approximately \$4.87 billion in aggregate liquidation preference of Public Preferred Depository Shares are accepted for exchange, Citigroup will be able to accept for exchange any and all validly tendered Trust Preferred Securities in the Trust Preferred Exchange Offer. In addition, the Remaining Amount will be not less than approximately \$5.6 billion, and will be higher in the event that less than all of the \$14.92 billion aggregate liquidation preference of Public Preferred Depository Shares is tendered and accepted for exchange in the Public Preferred Depository Exchange Offers.
- The maximum amount of Trust Preferred Securities that could be accepted for exchange pursuant to the Trust Preferred Exchange Offer is approximately \$15.63 billion in aggregate liquidation amount, assuming that no more than \$4.87 billion in aggregate liquidation preference of Public Preferred Depository Shares are validly tendered and accepted for exchange in the Public Preferred Depository Exchange Offers. The minimum amount of Trust Preferred Securities that could be accepted for exchange pursuant to the Trust Preferred Exchange Offer is approximately \$5.6 billion in aggregate liquidation amount, assuming all Public Preferred Depository Shares are validly tendered and accepted in the Public Preferred Depository Exchange Offers.
- With respect to each series of Trust Preferred Securities, the table below sets forth the applicable “Acceptance Priority Level” (representing the order in which we will accept each series of Trust Preferred Securities for exchange) and the number of shares of Common Stock that we are offering with respect to each Trust Preferred Security:

| Acceptance Priority Level | Trust Preferred Security (listed in order of Acceptance Priority Level) | Number of Shares of Common Stock Offered Per Trust Preferred Security |
|---------------------------------|--|---|
| 1 | 8.300% E-TRU ^{PS} ® issued by Citigroup Capital XXI | 292.30769 ⁽¹⁾ |
| 2 | 7.875% E-TRU ^{PS} ® issued by Citigroup Capital XX | 7.30769 |
| 3 | 7.250% E-TRU ^{PS} ® issued by Citigroup Capital XIX | 7.30769 |
| 4 | 6.875% E-TRU ^{PS} ® issued by Citigroup Capital XIV | 7.30769 |
| 5 | 6.500% E-TRU ^{PS} ® issued by Citigroup Capital XV | 7.30769 |
| 6 | 6.450% E-TRU ^{PS} ® issued by Citigroup Capital XVI | 7.30769 |
| 7 | 6.350% E-TRU ^{PS} ® issued by Citigroup Capital XVII | 7.30769 |
| 8 | 6.829% E-TRU ^{PS} ® issued by Citigroup Capital XVIII | 418.52615 ⁽¹⁾ |
| 9 | 7.625% TRU ^{PS} ® issued by Citigroup Capital III | 292.30769 ⁽¹⁾ |
| 10 | 7.125% TRU ^{PS} ® issued by Citigroup Capital VII | 7.30769 |
| 11 | 6.950% TRU ^{PS} ® issued by Citigroup Capital VIII | 7.30769 |
| 12 | 6.100% TRU ^{PS} ® issued by Citigroup Capital X | 7.30769 |
| 13 | 6.000% TRU ^{PS} ® issued by Citigroup Capital IX | 7.30769 |
| 14 | 6.000% TRU ^{PS} ® issued by Citigroup Capital XI | 7.30769 |

⁽¹⁾ Number of shares of Common Stock offered per \$1,000 (or £1,000) liquidation amount.

- You will not receive any consideration for accrued and unpaid distributions on your Trust Preferred Securities tendered and accepted for exchange in the Trust Preferred Exchange Offer.
- We are not seeking approval of holders of the Trust Preferred Securities to modify the terms of any series of the Trust Preferred Securities. However, we are seeking approval of our stockholders to

modify certain provisions of our Certificate of Incorporation, and we are requiring holders of the Trust Preferred Securities that participate in the Trust Preferred Exchange Offer and will receive Common Stock in the Trust Preferred Exchange Offer to grant a Proxy Instruction to approve such modifications.

- We currently expect to continue making distributions on each series of our Trust Preferred Securities in accordance with their current terms.

See “The Exchange Offers—Terms of the Trust Preferred Exchange Offer.”

What are the key terms applicable to each of the Exchange Offers?

- Each Exchange Offer will expire at 5:00 p.m., New York City time on July 24, 2009, unless extended or earlier terminated by us.
- You may withdraw any Subject Securities that you previously tendered in any Exchange Offer on or prior to the expiration of that Exchange Offer. If you withdraw your Subject Securities, you will automatically revoke any Voting Instruction or Proxy Instruction that you gave when you tendered such withdrawn Subject Securities.
- Each Exchange Offer is subject to a number of conditions that must be satisfied, or waived by us, on or prior to the expiration date, including that the USG and certain private holders of our preferred stock have exchanged preferred stock with an aggregate liquidation preference of at least \$23 billion for newly issued securities of Citigroup; the satisfaction of certain conditions to closing of the exchange by the USG of additional preferred stock for newly issued securities of Citigroup based on the level of participation in the Exchange Offers; and that no event has occurred that in our reasonable judgment would materially impair the anticipated benefits to us of the Exchange Offers or that has had, or could reasonably be expected to have, a material adverse effect on us, our businesses, condition (financial or otherwise), income, operations or prospects. None of the Exchange Offers is subject to any minimum tender condition or to completion of any other Exchange Offer. None of the Exchange Offers is subject to receiving approval of the Amendments (as defined below).
- On the settlement date for each Exchange Offer, in accordance with the instruction that you are required to give as part of your tender, any shares of Common Stock to be issued in respect of your Subject Securities will be issued to the Voting Trust (as defined below) for a period of one business day during which time, the Voting Trustee (as defined below) will grant a proxy with respect to such shares of Common Stock to approve the Common Stock Amendments (as defined below), and after which the Voting Trustee will cause your shares of Common Stock to be delivered to DTC for allocation to tendering holders.

How do I participate in the Exchange Offers?

- If you hold your Subject Securities through a bank, broker or other nominee, in order to validly tender your Subject Securities in the applicable Exchange Offer, you must follow the instructions provided by your bank, broker, custodian or other nominee with regard to the procedures for tendering your Subject Securities, in order to enable your bank, broker, custodian or other nominee to comply with the procedures described below. **Beneficial owners are urged to appropriately instruct their bank, broker, custodian or other nominee at least five business days prior to the expiration date in order to allow adequate time processing time for their instruction.**
- In order for a bank, broker, custodian or other nominee to validly tender your Subject Securities in the applicable Exchange Offer, such bank, broker, custodian or other nominee must deliver to the Exchange Agent an electronic message that contains:
 - o a Proxy Instruction to approve the Common Stock Amendments;

- o for tenders of Public Preferred Depositary Shares, a Voting Instruction to approve the Public Preferred Stock Amendments, or if you did not hold such Public Preferred Depositary Shares as of the close of business on June 16, 2009, which is the Preferred Stock Record Date, a Tender Certification (as defined below) to that effect;
 - o your acknowledgement and agreement to, and agreement to be bound by, the terms of the applicable letter of transmittal (including the Voting Trust Agreement) and pursuant to which, you, among other things, irrevocably instruct the Exchange Agent to deliver the shares of Common Stock to be issued to it in respect of its Subject Securities to the Voting Trust; and
 - o a timely confirmation of book-entry transfer of your Subject Securities into the Exchange Agent's account.
- Should you have any questions as to the procedures for tendering your Subject Securities and giving the Proxy Instructions or Voting Instructions required by the applicable letter of transmittal, please call your bank, broker, custodian or other nominee; or call the Information Agent, Morrow & Co., LLC, at 800-445-0102.
 - We are not providing for guaranteed delivery procedures and therefore you must allow sufficient time for the necessary tender procedures to be completed during normal business hours of DTC (or, in the case of the 6.829% E-TRUPS®, Euroclear or Clearstream) prior to the expiration date. Tenders received by the Exchange Agent after the expiration date will be disregarded and of no effect.

See “The Exchange Offers—Procedures for Tendering Subject Securities.”

The Public Preferred Stock Amendments and the Common Stock Amendments are discussed under “The Exchange Offers—The Amendments.” For additional information on the Public Preferred Stock Amendments and the Common Stock Amendments, please refer to the Preferred Proxy Statement (as defined below) and the Common Proxy Statement (as defined below) which are attached to this document as Annex A and Annex B, respectively, and form a part of this document.

Is Citigroup making a recommendation as to whether I should exchange my Subject Securities in the Exchange Offers?

- No. Citigroup is not making a recommendation as to whether you should exchange your Subject Securities in the Exchange Offers. We have not retained, and do not intend to retain, any unaffiliated representative to act solely on behalf of the holders of the Subject Securities for purposes of negotiating the Exchange Offers or preparing a report concerning the fairness of the Exchange Offers. The value of the Common Stock to be issued in the Exchange Offers may not equal or exceed the value of the Subject Securities tendered. You must make your own independent decision regarding your participation in the Exchange Offers.

SUMMARY

The following summary highlights selected information contained in this document. It may not contain all of the information that is important to you and is qualified in its entirety by the more detailed information included or incorporated by reference in this document. You should carefully consider the information contained in and incorporated by reference in this document, including the information set forth under the heading “Risk Factors” on page 32 in this document and the information set forth under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2008. References in this document to “Citigroup,” “our,” “we,” “us,” and similar terms, are references to Citigroup Inc.

The Company and the Trusts

Citigroup Inc. is a global diversified financial services holding company whose businesses provide a broad range of financial services to consumer and corporate customers. Citigroup has more than 200 million customer accounts and does business in more than 100 countries. As of March 31, 2009, Citigroup’s activities were conducted through the Global Cards, Consumer Banking, Institutional Clients Group, Global Wealth Management and Corporate/Other business segments. Its businesses conduct their activities across the North America, Europe, Middle East and Africa, Latin America and Asia regions. Citigroup’s principal subsidiaries are Citibank, N.A., Citigroup Global Markets Inc., Grupo Financiero Banamex, S.A. de C.V. and Nikko Citi Holdings Inc., each of which is a wholly owned, indirect subsidiary of Citigroup. Citigroup was incorporated in 1988 under the laws of the State of Delaware as a corporation with perpetual duration.

Each of the fourteen Citigroup Capital Trusts (the “Trusts”) that issued Trust Preferred Securities is a Delaware statutory trust. Citigroup is the sole stockholder of all the common securities of each of the Trusts. The sole asset and only source of funds to make payments on the Trust Preferred Securities of each Trust is junior subordinated indebtedness issued by Citigroup. To the extent that a Trust receives interest payments on the indebtedness, it is obligated to distribute those amounts to the holders of Trust Preferred Securities in the form of quarterly or semi-annual distributions. Citigroup has provided holders of Trust Preferred Securities a guarantee in support of each Trust’s obligation to make distributions on the Trust Preferred Securities, but only to the extent the Trust has funds available for distribution. In the event that a Trust does not receive interest payments on the indebtedness, whether because of a permitted deferral or otherwise, the Trust has no obligation to make distributions to holders of Trust Preferred Securities. We currently expect to continue making distributions on each series of Trust Preferred Securities in accordance with their current terms.

Citigroup’s principal executive office, and the principal place of business for each of the Trusts, is at 399 Park Avenue, New York, NY 10043, and the telephone number is (212) 559-1000.

Background to the Transactions

The Exchange Offers and USG/Private Holders Transactions

On February 27, 2009, we announced that we would exchange certain series of our preferred stock held by the USG and certain private holders (the “Private Holders”) for Interim Securities and Warrants (each as defined and described below under the “The Exchange Offers—Purpose and Background of the Transactions—Background to the Transactions”) and that we would commence the Exchange Offers. We refer to the exchanges with the USG, including the Federal Deposit Insurance Corporation (“FDIC”), and the Private Holders as the “USG/Private Holders Transactions.”

Citigroup is subject to risk-based capital ratio guidelines issued by the Federal Reserve Board (the “FRB”). One such ratio representing Tier 1 Capital, which is considered “core capital,” is stated as a percentage of risk-weighted assets. To be “well capitalized” under federal bank regulatory agency definitions, a banking organization must have a Tier 1 Capital ratio of at least 6%.

In the past, Citigroup (and its regulators, including the FRB) have focused on Tier 1 Capital as a key measure of risk capital for banking organizations, and based on Citigroup's Tier 1 Capital ratio of 11.92% as of March 31, 2009, Citigroup is very well capitalized. However, a view has recently developed that tangible common equity ("TCE") and Tier 1 Common are important metrics for analyzing a banking organization's financial condition and capital strength.

The primary purpose of the Exchange Offers and the USG/Private Holders Transactions is to make Citigroup a strongly capitalized bank on a TCE and Tier 1 Common basis. As defined by Citigroup, TCE represents common equity less goodwill and intangible assets (excluding mortgage servicing rights) net of the related deferred tax liabilities. Depending upon the level of participation in the Exchange Offers and completion of the USG/Private Holders Transactions, Citigroup's TCE could increase by up to approximately \$61 billion and Tier 1 Common could increase by up to approximately \$64 billion (an improvement of up to 623 bps to the Tier 1 Common ratio), in each case, as of March 31, 2009, on a pro forma basis. TCE and Tier 1 Common are non-GAAP measures. See "Regulatory Capital Ratios" for a more detailed discussion and description of Citigroup's Capital Ratios, including TCE and Tier 1 Common.

We have executed definitive agreements with respect to the exchanges of preferred stock with the Private Holders and the USG. See "The Exchange Offers—Purpose and Background of the Transactions—Background to the Transactions" for a more detailed description of the USG/Private Holders Transactions.

Amendments to the Trust Preferred Securities

Prior to the completion of the Exchange Offers, we intend to add provisions to the declarations of trust of all series of our Trust Preferred Securities that will allow us to deliver any Trust Preferred Securities held by us, including any such securities accepted for exchange in the Trust Preferred Exchange Offer, to the applicable trustee for cancellation. In exchange, the applicable trustee will return to us a corresponding amount of underlying junior subordinated debt. The junior subordinated debt can then be presented by us to the applicable debt trustee for cancellation under the existing terms of the applicable indentures. We also intend to add provisions to the junior subordinated debt securities underlying each series of E-TRUPS[®] that would give us the option of selling depositary shares representing fractional interests in a share of common equivalent preferred stock in order to satisfy our obligations under the alternative payment mechanism feature of the E-TRUPS[®]. No approval of holders of Trust Preferred Securities is required or sought in connection with these amendments. There will be no other changes made to the declarations of trust or indentures relating to the Trust Preferred Securities.

The Amendments

Together with this document, we have delivered to holders of our Public Preferred Depositary Shares two proxy statements, one relating to the Public Preferred Stock Amendments and another relating to the Common Stock Amendments and we have delivered to holders of the Trust Preferred Securities one proxy statement relating to the Common Stock Amendments. The proxy statements are attached to this document as Annex A and Annex B, respectively, and form a part of this document.

Public Preferred Stock Amendments

We are seeking approval of the holders of our Public Preferred Depositary Shares and our Common Stock to amend our Certificate of Incorporation and the certificates of designation (each a "Certificate of Designation") of each series of Public Preferred Stock as follows (the "Public Preferred Stock Amendments"):

- to eliminate the requirement that:
 - full dividends on all outstanding shares of the series of Public Preferred Stock must have been declared and paid or declared and set aside before we may pay any dividend on, make any

- distributions relating to, or redeem, purchase, acquire or make a liquidation payment relating to our common stock or any other securities junior to such series of Public Preferred Stock;
- if dividends are not declared and paid in full on any series of Public Preferred Stock, dividends with respect to all series of stock ranking equally with such series of Public Preferred Stock will be declared on a proportional basis, such that no series is paid a greater percentage of its stated dividend than any other equally ranking series; and
 - dividends on outstanding shares of preferred stock be paid or declared and set apart for payment, before any dividends may be paid or declared and set apart for payment on any outstanding shares of common stock (collectively, the “Dividend Blocker Amendment”);
 - to eliminate, upon the delisting of a series of Public Preferred Depositary Shares, the right of holders of Public Preferred Stock to elect two directors if dividends have not been paid for six quarterly dividend periods (or, in the case of the Series E Public Preferred Stock, for three semi-annual dividend periods), whether or not consecutive (the “Director Amendment”);
 - to clarify that any shares of any series of Public Preferred Stock acquired by us may not be reissued by us as part of such series, and will instead be restored to the status of authorized but unissued shares of preferred stock without designation as to series (the “Retirement Amendment”); and
 - to increase the number of authorized shares of preferred stock from 30 million to 2 billion (the “Authorized Preferred Stock Increase”).

Pursuant to the Preferred Proxy Statement, we are soliciting Voting Instructions from holders of the Public Preferred Depositary Shares as of the close of business on June 16, 2009, which is the Preferred Stock Record Date.

In order to validly tender your Public Preferred Depositary Shares in the Exchange Offers, you must: (1) if you were a record holder of your Public Preferred Depositary Shares as of the close of business on the Preferred Stock Record Date, give a voting instruction in the manner specified in the letter of transmittal with respect to such Public Preferred Depositary Shares, instructing BNY Mellon Shareowner Services (“BONY”), as depositary, to grant a proxy to execute a written consent in favor of each of the Public Preferred Stock Amendments, or (2) if you were a beneficial owner of Public Preferred Depositary Shares as of the close of business on the Preferred Stock Record Date, contact your bank, broker, custodian or other nominee promptly and instruct it to give to BONY, as depositary, a voting instruction in the manner specified in the letter of transmittal with respect to such Public Preferred Depositary Shares, in favor of the Public Preferred Stock Amendments (the instructions referred to in (1) and (2) above, the “Tendering Voting Instructions”).

If you were not a record or beneficial holder of your Public Preferred Depositary Shares as of the close of business on the Preferred Stock Record Date, you will not be required to grant a Tendering Voting Instruction with respect to such shares in order to tender your shares in the Exchange Offers, but you will be required to certify that you were not a holder of Public Preferred Depositary Shares as of the close of business on the Preferred Stock Record Date (a “Tender Certification”).

If you do not wish to tender your Public Preferred Depositary Shares in the Exchange Offers, but you wish to take action with respect to the Public Preferred Stock Amendments, you must: (1) if you were a record holder of your Public Preferred Depositary Shares as of the close of business on the Preferred Stock Record Date, give a voting instruction to BONY using the detachable form provided in the letter of transmittal instructing BONY, as depositary, to consent to, withhold consent on, or abstain on each Public Preferred Stock Amendment and discard the remaining portions of the letter of transmittal, or (2) if you were a beneficial owner of Public Preferred Depositary Shares as of the close of business on the Preferred Stock Record Date, contact your bank, broker, custodian or other nominee promptly and instruct it to give a voting instruction on your behalf to BONY, as depositary (the instructions referred to in (1) and (2) above, the “Non-Tendering Voting Instructions” and, together with the Tendering Voting Instructions, the “Voting Instructions”).

Under Delaware law and our Certificate of Incorporation, the affirmative written consent of holders, as of the close of business on the Preferred Stock Record Date, of (1) two-thirds of the Public Preferred Depository Shares, voting together as a class, and a majority of the Common Stock, voting as a class, are required to approve each of the Dividend Blocker Amendment, the Director Amendment and the Retirement Amendment and (2) a majority of the Public Preferred Depository Shares and the Fixed Rate Cumulative Perpetual Preferred Stock, Series G, Series H and Series I (the “USG Preferred Stock”), voting together as a class, and a majority of the Common Stock, voting as a class, are required to approve the Authorized Preferred Stock Increase. In addition, two-thirds of each series of the USG Preferred Stock is required to approve the amendment described in the third bullet of the Dividend Blocker Amendment.

When voting on the Dividend Blocker Amendment, the Retirement Amendment and the Authorized Preferred Stock Increase, the Public Preferred Stock votes by number of shares, with holders being entitled to one vote per share of Public Preferred Stock. When voting on the Director Amendment, the Public Preferred Stock votes by liquidation preference and each share of 8.400% Fixed Rate/Floating Rate Non-Cumulative Preferred Stock, Series E (“Series E”), 8.500% Non-Cumulative Preferred Stock, Series F (“Series F”) and 8.125% Non-Cumulative Preferred Stock, Series AA (“Series AA”) Public Preferred Stock is entitled to 25,000 votes and each share of 6.500% Non-Cumulative Convertible Preferred Stock, Series T (“Series T”) Public Preferred Stock is entitled to 50,000 votes. Pursuant to depositary agreements entered into by the holders of the Public Preferred Depository Shares and BONY, BONY will vote the shares of each series of Public Preferred Stock in accordance with the votes of the relevant series of Public Preferred Depository Shares.

Each Series F, Series AA and Series T Public Preferred Depository Share represents a 1/1,000th fractional interest in a share of Series F, Series AA or Series T Public Preferred Stock and each Series E Public Preferred Depository Share represents a 1/25th fractional interest in a share of Series E Public Preferred Stock. Accordingly, when voting on the Dividend Blocker Amendment, the Retirement Amendment and the Authorized Preferred Stock Increase, the holder of each Series F, Series AA and Series T Public Preferred Depository Share is entitled to 1/1,000th of a vote per Public Preferred Depository Share held as of the close of business on the Preferred Stock Record Date and the holder of each Series E Public Preferred Depository Share is entitled to 1/25th of a vote per Series E Public Preferred Depository Share held as of the close of business on the Preferred Stock Record Date. When voting on the Director Amendment, the holder of each Series F and Series AA Public Preferred Depository Share is entitled to 25 votes per Public Preferred Depository Share held as of the close of business on the Preferred Stock Record Date, the holder of each Series E Public Preferred Depository Share is entitled to 1,000 votes per Public Preferred Depository Share held as of the close of business on the Preferred Stock Record Date, and the holder of each Series T Public Preferred Depository Share is entitled to 50 votes per Public Preferred Depository Share held as of the close of business on the Preferred Stock Record Date. Fractional votes of each Public Preferred Depository Share on each matter will be aggregated with the fractional votes of other Public Preferred Depository Shares submitting the same Voting Instructions on that matter, and the Voting Trustee will grant or withhold written consents or abstain on each matter for the number of whole shares resulting from such aggregation in accordance with the instructions on the Voting Instruction.

For additional information on the Public Preferred Stock Amendments, please refer to the proxy statement on Schedule 14A filed by Citigroup on June 18, 2009, describing the Public Preferred Stock Amendments (the “Preferred Proxy Statement”), which is attached as Annex A to, and forms a part of, this document and which we delivered to holders of Public Preferred Depository Shares together with this document.

Common Stock Amendments

In addition to the Public Preferred Stock Amendments, we are also seeking the approval of the holders of our Common Stock to amend our Certificate of Incorporation as follows (the “Common Stock Amendments,” and together with the Public Preferred Stock Amendments, the “Amendments”):

- increasing the number of authorized shares of Common Stock from 15 billion to 60 billion (the “Authorized Share Increase”);

- (i) effecting a reverse stock split of our Common Stock at any time prior to June 30, 2010 at one of seven reverse split ratios, 1-for-2, 1-for-5, 1-for-10, 1-for-15, 1-for-20, 1-for 25 or 1-for-30, as determined by our board of directors in its sole discretion, and (ii) if and when the reverse stock split is effected, reducing the number of authorized shares of our Common Stock by the reverse stock split ratio determined by the board of directors (the “Reverse Stock Split”); and
- eliminating the voting rights of shares of Common Stock with respect to any amendment to the Certificate of Incorporation (including any Certificate of Designation related to any series of preferred stock) that relates solely to the terms of one or more outstanding series of preferred stock, if such series of preferred stock is entitled to vote, either separately or together as a class with the holders of one or more other such series, on such amendment (the “Preferred Stock Change”).

Pursuant to the Common Proxy Statement, we are soliciting your Proxy Instructions in respect of the shares of Common Stock that you will receive if we accept your Public Preferred Depositary Shares or Trust Preferred Securities for exchange in the Exchange Offers.

We will not accept your Public Preferred Depositary Shares or Trust Preferred Securities for exchange unless you follow the procedures contained in the letter of transmittal related to the applicable Exchange Offer to instruct the Voting Trustee of the Voting Trust to grant a proxy to the individuals designated by Citigroup in the Voting Trust Agreement to execute a written consent to approve each of the Common Stock Amendments in respect of the Common Stock to be issued to you in the Exchange Offers (the “Proxy Instructions”). If we accept your Public Preferred Depositary Shares or Trust Preferred Securities for exchange in the Exchange Offers, your Proxy Instructions will become (and the proxy granted by the Voting Trustee will be) irrevocable, and you will not be able to change your instructions.

Approval of the Common Stock Amendments requires the affirmative written consent of a majority of the shares of our Common Stock outstanding at the close of business on the record date for the Common Stock Amendments, which will be the settlement date of the Exchange Offers.

By tendering your Public Preferred Depositary Shares or Trust Preferred Securities in the Exchange Offers in accordance with the applicable letter of transmittal, you irrevocably (i) agree and consent to all of the Common Stock Amendments, (ii) instruct BNY Mellon Trust of Delaware, as trustee (the “Voting Trustee”) of the Voting Trust established pursuant to the voting trust agreement, dated June 15, 2009 (the “Voting Trust Agreement”) to grant an irrevocable proxy to the individuals designated by Citigroup in the Voting Trust Agreement to execute a written consent to approve each of the Common Stock Amendments, (iii) subject to and effective upon acceptance for exchange of your tendered Public Preferred Depositary Shares or Trust Preferred Securities, agree to the terms of the Voting Trust Agreement and (iv) acknowledge that by tendering your Public Preferred Depositary Shares or Trust Preferred Securities, you will become a party to the Voting Trust Agreement. The shares of Common Stock issued pursuant to the Exchange Offers will be delivered to the Voting Trust on the settlement date of the Exchange Offers to be held in trust. The Voting Trustee, pursuant to the terms of the Voting Trust Agreement, will execute and deliver a proxy in respect of such Common Stock to the individuals named in the Voting Trust Agreement to execute a written consent in favor of the Common Stock Amendments. The shares of Common Stock issued in exchange for your tendered Public Preferred Depositary Shares or Trust Preferred Securities will thereafter within one business day be released from the Voting Trust and will be distributed to you.

For additional information on the Common Stock Amendments, please refer to the proxy statement on Schedule 14A filed by Citigroup on June 18, 2009, describing the Common Stock Amendments (the “Common Proxy Statement”), which is attached as Annex B to, and forms a part of, this document and which we delivered to you together with this document.

Summary Terms of the Exchange Offers

Public Preferred Depositary Exchange Offers

We are offering to issue shares of our Common Stock in exchange for any and all issued and outstanding Public Preferred Depositary Shares, validly tendered and not validly withdrawn on or prior to the expiration date, upon the terms and subject to the conditions set forth in this document and in the applicable letter of transmittal (including, if any Public Preferred Depositary Exchange Offer is extended or amended, the terms and conditions of any such extension or amendment).

Set forth below is a table that shows, with respect to each series of Public Preferred Depositary Shares, the aggregate liquidation preference outstanding, the liquidation preference per Public Preferred Depositary Share, the exchange factor and the number of shares of Common Stock offered per Public Preferred Depositary Share.

| CUSIP | Title of Securities Represented by Public Preferred Depositary Shares | Aggregate Liquidation Pref. Outstanding | Liquidation Pref. Per Preferred Depositary Share | Exchange Factor (as a % of Liquidation Pref.) | No. of Shares of Common Stock Offered Per Public Preferred Depositary Share ⁽¹⁾ |
|---------------------|--|---|--|---|--|
| 172967556 | 8.500% Non-Cumulative Preferred Stock, Series F | \$2,040,000,000 | \$ 25 | 95% | 7.30769 |
| 172967ER8 | 8.400% Fixed Rate/Floating Rate Non-Cumulative Preferred Stock, Series E | \$6,000,000,000 | \$1,000 | 95% | 292.30769 ⁽²⁾ |
| 172967572 | 8.125% Non-Cumulative Preferred Stock, Series AA | \$3,715,000,000 | \$ 25 | 95% | 7.30769 |
| 172967598 | 6.500% Non-Cumulative Convertible Preferred Stock, Series T | \$3,168,650,000 | \$ 50 | 85% | 13.0769 |

⁽¹⁾ Number of shares of Common Stock offered per Public Preferred Depositary Share calculated by multiplying (a) the liquidation preference per Public Preferred Depositary Share by (b) the exchange factor, and dividing this amount by \$3.25, the price at which Citigroup is valuing the Common Stock to be issued in the Exchange Offers.
⁽²⁾ Number of shares of Common Stock offered per \$1,000 liquidation preference.

As previously announced, after the closing of the Exchange Offers, we will suspend dividends on our preferred stock, including the Public Preferred Stock, and we currently intend to seek to delist the Public Preferred Depositary Shares and, to the extent permitted by law, deregister the Public Preferred Stock and Public Preferred Depositary Shares.

We are not offering any consideration with respect to undeclared or “accrued” dividends on Public Preferred Depositary Shares tendered and accepted for exchange in the Exchange Offers.

See “The Exchange Offers—Terms of the Public Preferred Depositary Exchange Offers.”

If you hold your Public Preferred Depositary Shares through a bank, broker, custodian or other nominee, in order to validly tender your Subject Securities in the applicable Exchange Offer, you must follow the instructions provided by your bank, broker, custodian or other nominee with regard to the procedures for tendering your Subject

Securities, in order to enable your bank, broker, custodian or other nominee to comply with the procedures described below. **Beneficial owners are urged to appropriately instruct their bank, broker, custodian or other nominee at least five business days prior to the expiration date in order to allow adequate time processing time for their instruction.**

In order for a bank, broker, custodian or other nominee to validly tender your Public Preferred Depositary Shares in the applicable Exchange Offer, such bank, broker, custodian or other nominee must deliver to the Exchange Agent an electronic message that contains:

- a Proxy Instruction to approve the Common Stock Amendments;
- a Voting Instruction to approve the Public Preferred Stock Amendments, or if you did not hold such Public Preferred Depositary Shares as of the close of business on June 16, 2009, which is the Preferred Stock Record Date, a Tender Certification to that effect;
- your acknowledgement and agreement to, and agreement to be bound by, the terms of the applicable letter of transmittal (including the Voting Trust Agreement) and pursuant to which you, among other things, irrevocably instruct the Exchange Agent to deliver the shares of Common Stock to be issued to you in respect of your Public Preferred Depositary Shares to the Voting Trust; and
- a timely confirmation of book-entry transfer of your Public Preferred Depositary Shares into the Exchange Agent's account.

We are not providing for guaranteed delivery procedures and therefore you must allow sufficient time for the necessary tender procedures to be completed during normal business hours of DTC prior to the expiration date. Tenders received by the Exchange Agent after the expiration date will be disregarded and of no effect.

Should you have any questions as to the procedures for tendering your Public Preferred Depositary Shares and giving the Proxy Instructions or Voting Instructions required by the applicable letter of transmittal, please call your bank, broker, custodian or other nominee; or call our Information Agent, Morrow & Co., LLC, at 800-445-0102.

See "The Exchange Offers—Procedures for Tendering Subject Securities."

For additional information on the Public Preferred Stock Amendments and the Common Stock Amendments, please refer to the Preferred Proxy Statement and the Common Proxy Statement, which are attached as, respectively, Annex A and B to, and form a part of, this document and which we delivered to holders of Public Preferred Depositary Shares together with this document.

Trust Preferred Exchange Offer

Each Public Preferred Depositary Exchange Offer is for any and all Public Preferred Depositary Shares of the applicable series and therefore has not been assigned an Acceptance Priority Level and will not be subject to prorationing.

Concurrently with the Public Preferred Depositary Exchange Offers, we are also offering to issue shares of our Common Stock in exchange for a number of issued and outstanding Trust Preferred Securities with an aggregate liquidation amount equal to \$20.5 billion, less the aggregate liquidation preference of all Public Preferred Depositary Shares accepted for exchange in the Public Preferred Depositary Exchange Offers. We refer to this amount as the "Remaining Amount." The maximum number of shares of Common Stock that could be issued in the Exchange Offers is 5,992,307,693 shares.

The Remaining Amount cannot be calculated until all of the Public Preferred Depositary Exchange Offers have been completed. As a result, at the time you tender your Trust Preferred Securities, you will not know the Remaining Amount or whether that amount will be sufficient to allow us to exchange any Trust Preferred Securities within Acceptance Priority Levels 4-14. In any event, the Remaining Amount will be enough such that Citigroup is offering to exchange any and all issued and outstanding 8.300% E-TRUPS[®], 7.875% E-TRUPS[®] and 7.250% E-TRUPS[®], comprising Acceptance Priority Levels 1, 2 and 3, without prorationing. In the event that less than approximately \$4.87 billion in aggregate liquidation preference of Public Preferred Depositary Shares are accepted for exchange, Citigroup will be able to accept for exchange any and all validly tendered Trust Preferred Securities in the Trust Preferred Exchange Offer.

The maximum amount of Trust Preferred Securities that could be exchanged pursuant to the Trust Preferred Exchange Offer is approximately \$15.63 billion in aggregate liquidation amount, assuming that no more than \$4.87 billion aggregate liquidation preference of Public Preferred Depositary Shares are validly tendered and accepted for exchange in the Public Preferred Depositary Exchange Offers. The minimum amount of Trust Preferred Securities that could be accepted for exchange pursuant to the Trust Preferred Exchange Offer is approximately \$5.6 billion in aggregate liquidation amount, assuming all Public Preferred Depositary Shares are validly tendered and accepted in the Public Preferred Depositary Exchange Offers.

Upon the terms and subject to the conditions set forth in this document and in the applicable letter of transmittal (including, if the Trust Preferred Exchange Offer is extended or amended, the terms and conditions of any such extension or amendment), we will accept for exchange all Trust Preferred Securities that are validly tendered and not validly withdrawn on or prior to the expiration date, in accordance with the assigned Acceptance Priority Level and subject to prorationing, each as described below.

We will initially accept all validly tendered Trust Preferred Securities within Acceptance Priority Levels 1 through 3. The Remaining Amount will then be reduced by the aggregate liquidation amount of Trust Preferred Securities so accepted (the “Adjusted Remaining Amount”). If the Adjusted Remaining Amount is greater than zero, we will accept tendered Trust Preferred Securities within the next sequential Acceptance Priority Level, but only in an aggregate liquidation amount that is equal to or less than the Adjusted Remaining Amount. We will continue sequentially through each Acceptance Priority Level, each time reducing the Adjusted Remaining Amount by the aggregate liquidation amount of Trust Preferred Securities accepted, until we are unable to exchange all tendered Trust Preferred Securities within an Acceptance Priority Level without exceeding the Adjusted Remaining Amount. If we are unable to accept for exchange all tendered Trust Preferred Securities within an Acceptance Priority Level, then we will accept for exchange only a pro rata portion of the Trust Preferred Securities within that Acceptance Priority Level. We will not accept any additional Trust Preferred Securities after the Adjusted Remaining Amount equals zero.

In the event that prorationing of a series of Trust Preferred Securities is required, we will determine the final prorationing factor promptly after the expiration date and will announce the results of prorationing by press release. In applying the prorationing factor, we will multiply the amount of each tender by the prorationing factor and round the resultant amount down to the nearest authorized denomination for the applicable series of Trust Preferred Securities. You may also obtain this information from the Information Agent or the Dealer Manager after we have made the determination. In the event that any of your Trust Preferred Securities are not accepted for exchange due to prorationing, we will promptly return these Trust Preferred Securities to you.

Set forth below is a table that shows, with respect to each series of Trust Preferred Securities, the issuer, Acceptance Priority Level, aggregate liquidation amount outstanding, liquidation amount per Trust Preferred Security, the exchange factor and the number of shares of Common Stock being offered per Trust Preferred Security.

You will not receive any consideration for accrued and unpaid distributions on your Trust Preferred Securities tendered and accepted in the Trust Preferred Exchange Offer. For additional information on how we calculated the number of shares of Common Stock offered per Trust Preferred Security, see “The Exchange Offers—Terms of the Trust Preferred Exchange Offer.”

| Acceptance Priority Level | CUSIP/ISIN | Title of Securities | Issuer | Aggregate Liquidation Amt. Outstanding | Liquidation Amt. Per Trust Preferred Security | Exchange Factor (as a % of Liquidation Amt.) | No. of Shares of Common Stock Offered Per Trust Preferred Security ⁽¹⁾ |
|---------------------------|--------------|---------------------|-------------------------|--|---|--|---|
| 1 | 173094AA1 | 8.300% E-TRUPS® | Citigroup Capital XXI | \$3,500,000,000 | \$1,000 | 95% | 292.30769 ⁽³⁾ |
| 2 | 173085200 | 7.875% E-TRUPS® | Citigroup Capital XX | \$ 787,500,000 | \$ 25 | 95% | 7.30769 |
| 3 | 17311U200 | 7.250% E-TRUPS® | Citigroup Capital XIX | \$1,225,000,000 | \$ 25 | 95% | 7.30769 |
| 4 | 17309E200 | 6.875% E-TRUPS® | Citigroup Capital XIV | \$ 565,000,000 | \$ 25 | 95% | 7.30769 |
| 5 | 17310G202 | 6.500% E-TRUPS® | Citigroup Capital XV | \$1,185,000,000 | \$ 25 | 95% | 7.30769 |
| 6 | 17310L201 | 6.450% E-TRUPS® | Citigroup Capital XVI | \$1,600,000,000 | \$ 25 | 95% | 7.30769 |
| 7 | 17311H209 | 6.350% E-TRUPS® | Citigroup Capital XVII | \$1,100,000,000 | \$ 25 | 95% | 7.30769 |
| 8 | XS0306711473 | 6.829% E-TRUPS® | Citigroup Capital XVIII | £ 500,000,000 | £1,000 | 95% | 418.52615 ⁽²⁾⁽³⁾ |
| 9 | 17305HAA6 | 7.625% TRUPS® | Citigroup Capital III | \$ 200,000,000 | \$1,000 | 95% | 292.30769 ⁽³⁾ |
| 10 | 17306N203 | 7.125% TRUPS® | Citigroup Capital VII | \$1,150,000,000 | \$ 25 | 95% | 7.30769 |
| 11 | 17306R204 | 6.950% TRUPS® | Citigroup Capital VIII | \$1,400,000,000 | \$ 25 | 95% | 7.30769 |
| 12 | 173064205 | 6.100% TRUPS® | Citigroup Capital X | \$ 500,000,000 | \$ 25 | 95% | 7.30769 |
| 13 | 173066200 | 6.000% TRUPS® | Citigroup Capital IX | \$1,100,000,000 | \$ 25 | 95% | 7.30769 |
| 14 | 17307Q205 | 6.000% TRUPS® | Citigroup Capital XI | \$ 600,000,000 | \$ 25 | 95% | 7.30769 |

⁽¹⁾ Number of shares of Common Stock offered per Trust Preferred Security calculated by multiplying (a) the liquidation amount per Trust Preferred Security by (b) the exchange factor, and dividing this amount by \$3.25, the price at which Citigroup is valuing the Common Stock to be issued in the Exchange Offers.

⁽²⁾ U.S. dollar equivalent value and number of shares for the 6.829% E-TRUPS® calculated based on the U.S. dollar/U.K. pound exchange rate of \$1.4318, as reported by Bloomberg on February 27, 2009, the date we announced the Exchange Offers.

⁽³⁾ Number of shares of Common Stock offered per \$1,000 (or £1,000) liquidation amount.

If you hold your Trust Preferred Securities through a bank, broker, custodian or other nominee, in order to validly tender your Trust Preferred Securities in the Trust Preferred Exchange Offer, you must follow the instructions provided by your bank, broker, custodian or other nominee with regard to the procedures for tendering your Trust Preferred Securities, in order to enable your bank, broker, custodian or other nominee to comply with the procedures described below.

Beneficial owners are urged to appropriately instruct their bank, broker, custodian or other nominee at least five business days prior to the expiration date in order to allow adequate time processing time for their instruction.

In order for your bank, broker, custodian or other nominee to validly tender your Trust Preferred Securities in the Trust Preferred Exchange Offer, such bank, broker, custodian or other nominee must deliver to the Exchange Agent an electronic message that contains:

- a Proxy Instruction to approve the Common Stock Amendments;
- your acknowledgement and agreement to, and agreement to be bound by, the terms of the applicable letter of transmittal (including

the Voting Trust Agreement) and pursuant to which you, among other things, irrevocably instruct the Exchange Agent to deliver the shares of Common Stock to be issued to you in respect of your Public Preferred Depositary Shares to the Voting Trust; and

- a timely confirmation of book-entry transfer of your Trust Preferred Securities into the Exchange Agent’s account.

We are not providing for guaranteed delivery procedures and therefore you must allow sufficient time for the necessary tender procedures to be completed during normal business hours of DTC (or, in the case of the 6.829% E-TRUPS®, Euroclear or Clearstream) prior to the expiration date. Tenders received by the Exchange Agent after the expiration date will be disregarded and of no effect.

Should you have any questions as to the procedures for tendering your Trust Preferred Securities and giving the Proxy Instructions or Voting Instructions required by the applicable letter of transmittal, please call your bank, broker, custodian or other nominee; or call our Information Agent, Morrow & Co., LLC, at 800-445-0102.

For additional information on the Common Stock Amendments, please refer to the Common Proxy Statement, which is attached as Annex B to, and forms a part of, this document and which we delivered to you together with this document.

Purpose of the Exchange Offers

The purpose of the Exchange Offers is to optimize our capital structure and to increase our TCE and Tier 1 Common.

Securities Issuable in the Exchange Offers and USG/Private Holders Transactions

The following table shows the type and aggregate number of securities that could be issued in connection with the Exchange Offers and the USG/Private Holders Transactions.

| <u>Transaction</u> | <u>Security</u> | <u>Number of Securities Issuable</u> |
|---|--|--------------------------------------|
| Exchange Offers ⁽¹⁾ | Common Stock | 5,894,810,769 |
| USG/Private Holders Transaction (assuming Authorized Share Increase is approved) | Common Stock | 11,538,461,538 |
| USG/Private Holders Transaction (assuming Authorized Share Increase is not approved and Warrants are exercised in full) | Interim Securities ⁽²⁾ Common Stock ⁽³⁾ | 11,538 790,000,000 |

(1) Assuming 100% participation in the Exchange Offers and conversion of 100% of all Public Preferred Depositary Shares and approximately \$5.6 billion liquidation amount of Trust Preferred Securities.
(2) Each Interim Security will be automatically converted into 1,000,000 shares of Common Stock upon stockholder approval of the Authorized Share Increase. Number of Interim Securities shown has been rounded to the nearest whole number of shares.
(3) Exercise of Warrants may be limited by the amount of authorized Common Stock available for issuance under our Certificate of Incorporation.

See “The Exchange Offers—Securities Issuable in the Exchange Offers and USG/Private Holders Transactions” for additional information regarding the number of shares of Common Stock issuable in the Exchange Offers and USG/Private Holders Transactions.

| | |
|-----------------------------------|---|
| Expiration Date | Each Exchange Offer will expire at 5:00 p.m., New York City time, on July 24, 2009, unless such Exchange Offer is extended or earlier terminated by us. The term “expiration date” means such date and time or, if an Exchange Offer is extended, the latest date and time to which such Exchange Offer is so extended. |
| Fractional Shares | No fractional shares of our Common Stock will be issued in the Exchange Offers. Instead, we will aggregate and sell any fractional shares that would have otherwise been issuable and promptly pay to you a proportional amount of the net proceeds of these sales (less customary brokerage fees, other expenses and applicable withholding taxes). |
| Settlement Date | The settlement date with respect to any Exchange Offer will be a date promptly following the expiration date. On the settlement date, we will deliver Common Stock to be issued in respect of Subject Securities to the Voting Trust for a period of one business day, in accordance with the terms of the Voting Trust Agreement. The Voting Trustee will subsequently cause the shares to be delivered to DTC for allocation to tendering holders. |
| Withdrawal Rights | <p>You may withdraw previously tendered Subject Securities at any time before the expiration date of the relevant Exchange Offer. In addition, you may withdraw any Subject Securities that you tender that are not accepted by us for exchange after the expiration of 40 business days after the commencement of the relevant Exchange Offer. If you withdraw your Subject Securities, you will automatically revoke any Proxy Instruction or Voting Instruction that you gave with respect to such withdrawn Subject Securities.</p> <p>See “The Exchange Offers—Withdrawal of Tenders.”</p> |
| Conditions to the Exchange Offers | <p>Each Exchange Offer is subject to a number of conditions that must be satisfied, or waived by us, on or prior to the expiration date, including that the USG and the Private Holders have exchanged preferred stock with an aggregate liquidation preference of at least \$23 billion for newly issued securities of Citigroup; the satisfaction of certain conditions to closing of the exchange by the USG of additional preferred stock for newly issued securities of Citigroup based on the level of participation in the Exchange Offers; and that no event has occurred that in our reasonable judgment would materially impair the anticipated benefits to us of the Exchange Offers or that has had, or could reasonably be expected to have, a material adverse effect on us, our businesses, condition (financial or otherwise), income, operations or prospects. None of the Exchange Offers is subject to any minimum tender condition or to completion of any other Exchange Offer. None of the Exchange Offers is subject to receiving stockholder approval of any Amendments. See “The Exchange Offers—Conditions of the Exchange Offers.”</p> |

United States Federal Income Tax Considerations

The exchange of Subject Securities for our Common Stock pursuant to the Exchange Offers will be treated as a recapitalization for U.S. federal income tax purposes. Therefore, except with respect to any cash received in lieu of fractional shares, accrued but unpaid interest on the Trust Preferred Securities and foreign currency gain or loss realized on the Sterling-denominated 6.829% E-TruPS[®], no gain or loss will be recognized upon consummation of the Exchange Offers. See “Certain United States Federal Income Tax Considerations.”

Consequences of Failure to Exchange Subject Securities

Public Preferred Depositary Shares not exchanged in the Public Preferred Depositary Exchange Offers will remain outstanding after consummation of the Public Preferred Depositary Exchange Offers. As previously announced, after the closing of the Exchange Offers, we will suspend dividends on the Public Preferred Stock underlying the Public Preferred Depositary Shares.

We intend to delist any remaining Public Preferred Depositary Shares from trading on the New York Stock Exchange (other than the Series E Public Preferred Depositary Shares which are not listed on any securities exchange) and, to the extent permitted by law, we intend to deregister any such remaining securities. The reduction in the number of shares available for trading, the suspension of dividends on the underlying Public Preferred Stock and, if approval of the Public Preferred Stock Amendments is obtained, the Public Preferred Stock Amendments may have a significant and adverse effect on the liquidity of any trading market for, and the price of, Public Preferred Depositary Shares not exchanged in the Public Preferred Depositary Exchange Offers and may result in the Public Preferred Depositary Shares being illiquid for an indefinite period of time.

The Public Preferred Depositary Exchange Offers and the approval of the Public Preferred Stock Amendments could substantially diminish the rights and value of any Public Preferred Depositary Shares that remain outstanding after completion of the Exchange Offers. The Public Preferred Stock Amendments, if approved, would result in a holder of a Public Preferred Depositary Share that remains outstanding after completion of the Exchange Offers holding a security that no longer pays dividends and has lost its preferential treatment on distributions in most circumstances, among other changes to such holder’s rights.

Trust Preferred Securities not exchanged in the Trust Preferred Exchange Offer will remain outstanding after consummation of the Trust Preferred Exchange Offer. As previously announced, we currently expect to continue making distributions on our Trust Preferred Securities in accordance with their current terms.

We currently intend to deliver any Trust Preferred Securities accepted for exchange in the Trust Preferred Exchange Offer to the applicable

trustee for cancellation. As a result, the number of Trust Preferred Securities of any series available for trading may be substantially reduced, and this may have a significant and adverse effect on the liquidity of any trading market for, and the price of, the Trust Preferred Securities of that series not exchanged in the Trust Preferred Exchange Offer and may result in the Trust Preferred Securities of that series being illiquid for an indefinite period of time.

If a significant number of holders of Subject Securities do not participate in the Exchange Offers, Citigroup's ability to achieve its goal of substantially increasing its TCE and Tier 1 Common may be diminished.

See "The Exchange Offers and USG/Private Holders Transactions" above. See also "Risks Related to Not Participating in the Exchange Offers" below.

Market Trading

Our Common Stock is traded on the New York Stock Exchange under the symbol "C." The last reported closing price of our Common Stock on July 16, 2009, the last practical trading day prior to the date of this document, was \$3.03 per share. We have filed an application with the NYSE to list the shares of Common Stock to be issued in the Exchange Offers. The Public Preferred Depositary Shares and Trust Preferred Securities are traded on the New York Stock Exchange, with the exception of the Series E Public Preferred Depositary Shares and the 8.300% E-TruPS[®] issued by Citigroup Capital XXI, which are not listed for trading on any securities exchange.

Brokerage Commissions

No brokerage commissions are payable by the holders of the Subject Securities to the Dealer Manager, the Exchange Agent, the Information Agent or us in connection with the Exchange Offers.

Soliciting Dealer Fee

With respect to any tender of a series of Subject Securities, we will pay the relevant soliciting dealer a fee of 0.50% of the liquidation preference or liquidation amount accepted for exchange; provided that such fee will only be paid with respect to tenders by a beneficial owner of a series of Subject Securities having an aggregate liquidation preference or liquidation amount of \$250,000 or less (or £250,000 or less with respect to the 6.829% E-TRUPS[®]). See "The Exchange Offers—Soliciting Dealer Fee."

Use of Proceeds

We will not receive any cash proceeds from the tender of Subject Securities in the Exchange Offers.

No Appraisal Rights

Holders of Subject Securities have no appraisal rights in connection with the Exchange Offers.

Dealer Manager

Citigroup Global Markets Inc.

Information Agent

Morrow & Co., LLC

Exchange Agent

BNY Mellon Shareowner Services

Further Information

If you have questions about the terms of any of the Exchange Offers, please contact the Dealer Manager or the Information Agent. If you have questions regarding the procedures for tendering your Subject Securities, please contact the Information Agent. The contact information for the Dealer Manager, Information Agent and the Exchange Agent is set forth on the back cover page of this document.

As required by the Securities Act of 1933, as amended, Citigroup filed a registration statement (No. 333-158100) relating to the Exchange Offers with the Securities and Exchange Commission. This document is a part of that registration statement, which includes additional information.

See also “Where You Can Find More Information.”

SELECTED FINANCIAL DATA

FIVE-YEAR SUMMARY OF SELECTED FINANCIAL DATA⁽¹⁾

Citigroup Inc. and Subsidiaries

| In millions of dollars, except per share amounts and ratios | For the Three Months Ended March 31, | | For the Year Ended December 31, | | | | |
|---|---|-------------------|---------------------------------|-----------------|------------------|------------------|------------------|
| | 2009 | 2008 | 2008 | 2007 | 2006 | 2005 | 2004 |
| Total Revenues, Net of Interest Expense | \$ 24,789 | \$ 12,441 | \$ 52,793 | \$ 78,495 | \$ 86,327 | \$ 80,077 | \$ 76,223 |
| Total Operating Expenses | 12,087 | 15,775 | 71,134 | 59,802 | 50,301 | 43,549 | 48,149 |
| Provision for Loan Losses and for Benefits and Claims | 10,307 | 5,852 | 34,714 | 17,917 | 7,537 | 7,971 | 6,658 |
| Income (Loss) from Continuing Operations before Income Taxes | 2,395 | (9,186) | (53,055) | 776 | 28,489 | 28,557 | 21,416 |
| Income Taxes | 785 | (3,939) | (20,612) | (2,498) | 7,749 | 8,787 | 6,130 |
| Income (Loss) from Continuing Operations | 1,610 | (5,247) | (32,443) | 3,274 | 20,740 | 19,770 | 15,286 |
| Income (Loss) from Discontinued Operations, net of Taxes ⁽²⁾ | (33) | 115 | 4,410 | 628 | 1,087 | 5,417 | 1,978 |
| Cumulative Effect of Accounting Change, net of Taxes ⁽³⁾ | — | — | — | — | — | (49) | — |
| Net Income (Loss) before Attribution of Noncontrolling Interests | 1,577 | (5,132) | (28,033) | 3,902 | 21,827 | 25,138 | 17,264 |
| Net Income (Loss) Attributable to Noncontrolling Interests | (16) | (21) | (349) | 285 | 289 | 549 | 218 |
| Citigroup's Net Income (Loss) | \$ 1,593 | \$ (5,111) | \$ (27,684) | \$ 3,617 | \$ 21,538 | \$ 24,589 | \$ 17,046 |
| Earnings per share | | | | | | | |
| Basic: | | | | | | | |
| Income (loss) from continuing operations | \$ (0.18) | \$ (1.06) | \$ (6.45) | \$ 0.58 | \$ 4.09 | \$ 3.69 | \$ 2.90 |
| Net income | (0.18) | (1.03) | (5.61) | 0.71 | 4.30 | 4.74 | 3.28 |
| Diluted: | | | | | | | |
| Income (loss) from continuing operations | (0.18) | (1.06) | (6.45) | 0.55 | 4.05 | 3.67 | 2.87 |
| Net income | (0.18) | (1.03) | (5.61) | 0.67 | 4.27 | 4.71 | 3.24 |
| Dividends declared per common share | \$ 0.01 | \$ 0.32 | \$ 1.12 | \$ 2.16 | \$ 1.96 | \$ 1.76 | \$ 1.60 |
| At Period End | | | | | | | |
| Total assets | \$1,822,578 | \$2,199,697 | \$1,938,470 | \$2,187,480 | \$1,884,167 | \$1,493,886 | \$1,483,950 |
| Total deposits | 762,696 | 831,208 | 774,185 | 826,230 | 712,041 | 591,828 | 561,513 |
| Long-term debt | 337,252 | 424,959 | 359,593 | 427,112 | 288,494 | 217,499 | 207,910 |
| Mandatorily redeemable securities of subsidiary trusts ⁽⁴⁾ | 24,532 | 23,959 | 23,899 | 23,594 | 9,579 | 6,264 | 6,209 |
| Common shareholders' equity | 69,688 | 108,684 | 70,966 | 113,447 | 118,632 | 111,261 | 108,015 |
| Total Citigroup stockholders' equity | \$ 143,934 | \$ 128,068 | \$ 141,630 | \$ 113,447 | \$ 119,632 | \$ 112,386 | \$ 109,140 |
| Direct staff (in thousands) | 309 | 369 | 323 | 375 | 327 | 296 | 283 |
| Ratios: | | | | | | | |
| Return on common shareholders' equity ⁽⁵⁾ | (5.6)% | (18.6)% | (28.8)% | 2.9% | 18.8% | 22.4% | 17.0% |
| Return on total stockholders' equity ⁽⁵⁾ | 4.5 | (16.2) | (20.9) | 3.0 | 18.7 | 22.2 | 16.9 |
| Tier 1 Capital | 11.92% | 7.71% | 11.92% | 7.12% | 8.59% | 8.79% | 8.74% |
| Total Capital | 15.61 | 11.18 | 15.70 | 10.70 | 11.65 | 12.02 | 11.85 |
| Leverage ⁽⁶⁾ | 6.60 | 4.45 | 6.08 | 4.03 | 5.16 | 5.35 | 5.20 |
| Common shareholders' equity to assets | 3.82% | 4.94% | 3.66% | 5.19% | 6.30% | 7.45% | 7.28% |
| Total stockholders' equity to assets | 7.90 | 5.82 | 7.31 | 5.19 | 6.35 | 7.52 | 7.35 |
| Dividend payout ratio ⁽⁷⁾ | N/A | N/A | NM | 300.0 | 45.5 | 37.1 | 49.1 |
| Book value per common share | \$ 12.64 | \$ 20.70 | \$ 13.02 | \$ 22.71 | \$ 24.15 | \$ 22.34 | \$ 20.79 |
| Ratio of earnings to fixed charges and preferred stock dividends | 1.06x | NM | NM | 1.01x | 1.50x | 1.79x | 1.99x |

(1) On January 1, 2009, Citigroup adopted SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements*, and FSP EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities*. All periods have been restated to conform to the current presentation. The respective EPS numbers as disclosed under SFAS 128 in Citigroup's 2008 Annual Report on Form 10-K were: in 2008, Basic EPS for Income (loss) from Continuing Operations of \$(6.42), Basic EPS from Net

Income (loss) of \$(5.59), Diluted EPS from Income (loss) from Continuing Operations of \$(6.42) and Diluted EPS from Net income (loss) of \$(5.59). The respective EPS numbers for 2007, 2006, 2005 and 2004 were as follows: in 2007 (\$0.60, \$0.73, \$0.59 and \$0.72), in 2006 (\$4.17, \$4.39, \$4.09 and \$4.31), in 2005 (\$3.78, \$4.84, \$3.71 and \$4.75) and in 2004 (\$2.94, \$3.32, \$2.88 and \$3.26), respectively.

- (2) Discontinued operations for 2004 to 2008 reflect the sale of Citigroup's German Retail Banking Operations to Credit Mutuel, and the Company's sale of CitiCapital's equipment finance unit to General Electric. In addition, discontinued operations for 2004 to 2006 include the operations and associated gain on sale of substantially all of Citigroup's Asset Management business, the majority of which closed on December 1, 2005. Discontinued operations from 2004 to 2006 also include the operations and associated gain on sale of Citigroup's Travelers Life & Annuity, substantially all of Citigroup's international insurance business and Citigroup's Argentine pension business to MetLife Inc. The sale closed on July 1, 2005. See Note 3 to the Consolidated Financial Statements on page 136 of the Annual Report on Form 10-K for the year ended December 31, 2008.
- (3) Accounting change of \$(49) million in 2005 represents the adoption of Financial Accounting Standards Board (FASB) Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations, an interpretation of SFAS No. 143* (FIN 47).
- (4) During 2004, the Company deconsolidated the subsidiary issuer trusts in accordance with FIN 46(R). For regulatory capital purposes, these trust securities remain a component of Tier 1 Capital.
- (5) The return on average common shareholders' equity is calculated using net income less preferred stock dividends divided by average common shareholders' equity. The return on total stockholders' equity is calculated using net income divided by average stockholders' equity.
- (6) Tier 1 Capital divided by each year's fourth quarter adjusted average assets (hereinafter as adjusted average assets).
- (7) Dividends declared per common share as a percentage of net income per diluted share.

NM Not Meaningful

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following selected unaudited pro forma financial information has been presented to give effect to and show the pro forma impact of the Exchange Offers and the USG/Private Holders Transactions on Citigroup's balance sheet as of March 31, 2009, and also describes the impact of the Exchange Offers and the USG/Private Holders Transactions on Citigroup's earnings for the fiscal year ended December 31, 2008 and for the quarter ended March 31, 2009.

The unaudited pro forma financial information is presented for illustrative purposes only and does not necessarily indicate the financial position or results that would have been realized had the Exchange Offers and the USG/Private Holders Transactions been completed as of the dates indicated or that will be realized in the future when and if the Exchange Offers and the USG/Private Holders Transactions are consummated. The selected unaudited pro forma financial information has been derived from, and should be read in conjunction with, the summary historical consolidated financial information included elsewhere in this document and Citigroup's historical consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2008 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2009 filed with the SEC, which are incorporated by reference into this document.

Unaudited Pro Forma Balance Sheets

The unaudited pro forma consolidated balance sheets of Citigroup as of March 31, 2009 have been presented as if the Exchange Offers and the USG/Private Holders Transactions had been completed on March 31, 2009. We have shown the pro forma impact of a "High Participation Scenario" and a "Low Participation Scenario" prepared using the assumptions set forth below. In both scenarios, we have assumed stockholders have approved the Authorized Share Increase. In the event the stockholders do not approve the Authorized Share Increase within six months of issuance of the Warrants, the Warrants issued to the USG and Private Holders will become immediately exercisable for an additional 790 million shares of our Common Stock. The exercise of these Warrants will result in additional dilution to the existing shareholders with a corresponding increase to stockholders' equity equal to the exercise price of the Warrants multiplied by the number of shares issued. In addition, if the stockholders do not approve the Authorized Share Increase within six months, the Interim Securities will remain outstanding and will automatically convert into Common Stock upon approval of the Authorized Share Increase, even if approved at a later date, resulting in further dilution to the existing common shareholders. Furthermore, if the Authorized Share Increase is not approved within six months of the issuance of the Interim Securities, each Interim Security will accrue cumulative dividends equal to the greater of (x) 9% (increasing by 2 percentage points each quarter up to a cap of 19%) and (y) the dividend actually paid on the number of shares of Common Stock into which such Interim Security is convertible. The dividends will decrease net income available to the common shareholders.

The "High Participation Scenario" assumes (i) the exchange of all outstanding shares of Series A1, B1, C1, D1, J1, K1, L2 and N1 convertible preferred stock held by the Private Holders (\$12.5 billion aggregate liquidation preference) and holders of all outstanding shares of Series T Public Preferred Stock (\$3.169 billion aggregate liquidation preference) into Common Stock, (ii) the exchange of all outstanding shares of Series E, F and AA Public Preferred Stock (\$11.755 billion aggregate liquidation preference) into Common Stock, (iii) the exchange of all outstanding shares of Series H preferred stock held by the U.S. Treasury (\$25 billion aggregate liquidation preference) into Common Stock, (iv) the conversion of all outstanding shares of Series G and I preferred stock held by the U.S. Treasury and the FDIC (\$27.059 billion aggregate liquidation preference) into newly issued 8% trust preferred securities and (v) the exchange of \$5.576 billion aggregate liquidation amount of Trust Preferred Securities into Common Stock.

The "Low Participation Scenario" assumes (i) the exchange of all outstanding shares of Series A1, B1, C1, D1, J1, K1, L2 and N1 convertible preferred stock held by the Private Holders (\$12.5 billion aggregate liquidation preference) into Common Stock, (ii) the exchange of 50% of the outstanding shares of Series H preferred stock held by the U.S. Treasury (\$12.5 billion aggregate liquidation preference) into Common Stock,

(iii) the exchange of 50% of the outstanding shares of Series H preferred stock held by the U.S. Treasury (\$12.5 billion aggregate liquidation preference) and all outstanding shares of Series I and G preferred stock held by the U.S. Treasury and the FDIC (\$27.059 billion aggregate liquidation preference, for a total of \$39.559 billion aggregate liquidation preference) into new 8% trust preferred securities, (iv) none of the outstanding shares of Series E, F and AA Public Preferred Stock (\$11.755 billion aggregate liquidation preference) or outstanding shares of Series T Public Preferred Stock (\$3.169 billion aggregate liquidation preference), are exchanged for Common Stock and (v) none of the Trust Preferred Securities are exchanged for Common Stock.

If the Exchange Offers are not viewed favorably by the marketplace and Citigroup's stockholders, participation of the holders of Subject Securities is expected to be low. As a result, the Low Participation Scenario assumes no Public Preferred Depository Shares or Trust Preferred Securities are tendered for exchange.

The pro forma impact to stockholders' equity, additional paid-in capital and retained earnings generated by the Exchange Offers and the USG/Private Holders Transactions in both the High Participation Scenario and the Low Participation Scenario were determined based on \$3.72, the closing price of Citigroup's Common Stock on May 29, 2009 on the NYSE. The actual determination will be made using the closing price of Citigroup's Common Stock on the NYSE on the day the investors and Citigroup are legally committed to the exchange ("commitment date").

If the price of Common Stock on the commitment date is greater than \$3.72, there will be an increase in additional paid-in capital and a decrease in net income available to common shareholders, earnings per share and retained earnings relative to the pro forma financial statement information set forth below. Conversely, if the Common Stock price on the commitment date is less than \$3.72, there will be a decrease in additional paid-in capital and increase in net income available to common shareholders, earnings per share and retained earnings relative to the pro forma financial statement information.

If the estimated fair value of the new 8% trust preferred securities is greater than the value used in the following pro forma statements, the positive impact on retained earnings will be lower and the amount of deferred tax liabilities created by the Exchange Offers and the USG/Private Holders Transactions will also be lower. Conversely, if the estimated fair value of the new 8% trust preferred securities is lower than the value used in the following pro forma statements, the positive impact on retained earnings will be greater and the amount of deferred tax liabilities created by the Exchange Offers and the USG/Private Holders Transactions will also be greater.

High Participation Scenario

| (in millions of dollars) | Adjustments | | | | | | Pro Forma March 31, 2009 |
|---|-----------------------------|---|---|---|--|--|-----------------------------------|
| | Actual March 31, 2009 | Exchange of Convertible Preferred Stock held by Private Holders and Public Investors ⁽²⁾ | Exchange of Non- Convertible Preferred Stock held by Public Investors ⁽⁷⁾ | Exchange of Non- Convertible Preferred Stock Held by U.S. Treasury ⁽⁹⁾ | Conversion of Guarantee- Related Non- Convertible Preferred Stock Held by U.S. Treasury and FDIC ⁽¹²⁾ | Exchange of Trust Preferred Securities held by Public Investors ⁽¹⁾ | |
| Assets | | | | | | | |
| Cash and due from banks and Deposits at interest with banks | \$ 190,566 | | | | | | \$ 190,566 |
| Federal funds sold and securities purchased | 179,603 | | | | | | 179,603 |
| Trading account assets | 335,222 | | | | | | 335,222 |
| Investments | 238,806 | | | | | | 238,806 |
| Loans, net | 625,589 | | | | | | 625,589 |
| Other assets | 212,770 | | | \$ (2,866) ⁽¹⁵⁾ | | | 209,904 |
| Goodwill and intangibles (other than mortgage servicing rights) | 40,022 | | | | | | 40,022 |
| Total assets | <u>\$1,822,578</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ (2,866)</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$1,819,712</u> |
| Liabilities | | | | | | | |
| Total deposits | \$ 762,696 | | | | | | \$ 762,696 |
| Federal funds purchased and securities loan | 184,803 | | | | | | 184,803 |
| Trading account liabilities | 130,826 | | | | | | 130,826 |
| Long-term debt | 337,252 | | | \$ 12,070 ⁽¹⁰⁾ | \$ 4,260 ⁽¹³⁾ | \$(6,047) ⁽¹⁸⁾ | 347,535 |
| Other liabilities | 261,074 | | | | | (6) ⁽¹⁹⁾ | 261,068 |
| Total liabilities | <u>\$1,676,651</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 12,070</u> | <u>\$ 4,260</u> | <u>\$(6,053)</u> | <u>\$1,686,928</u> |
| Equity | | | | | | | |
| Preferred Stock | \$ 74,246 | \$(15,669) ⁽³⁾ | \$(11,755) ⁽³⁾ | \$(43,293) ⁽³⁾ | \$(3,529) ⁽³⁾ | | \$ — |
| Common Stock | 57 | 47 ⁽⁴⁾ | 34 ⁽⁴⁾ | 77 ⁽⁴⁾ | | \$ 16 ⁽⁴⁾ | 231 |
| Additional paid-in capital | 16,525 | 30,898 ⁽⁵⁾ | 12,748 ⁽¹⁴⁾ | 28,538 ⁽¹⁴⁾ | | 6,047 ⁽¹⁴⁾ | 94,756 |
| Retained earnings | 86,115 | (15,276) ⁽⁶⁾ | (1,027) ⁽⁸⁾ | (258) ⁽¹¹⁾ | (731) ⁽¹⁶⁾ | (10) ⁽¹⁷⁾ | 68,813 |
| Treasury stock, at cost | (5,996) | | | | | | (5,996) |
| Accumulated other comprehensive income (loss) | (27,013) | | | | | | (27,013) |
| Total Citigroup stockholder's equity | <u>\$ 143,934</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$(14,936)</u> | <u>\$(4,260)</u> | <u>\$ 6,053</u> | <u>\$ 130,791</u> |
| Noncontrolling interest | 1,993 | | | | | | 1,993 |
| Total equity | <u>\$ 145,927</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$(14,936)</u> | <u>\$(4,260)</u> | <u>\$ 6,053</u> | <u>\$ 132,784</u> |
| Total liabilities and equity | <u>\$1,822,578</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ (2,866)</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$1,819,712</u> |

- (1) Represents Trust Preferred Securities held by public investors that Citigroup is offering to exchange for Common Stock. Assumes the exchange of \$5.576 billion aggregate liquidation amount of Trust Preferred Securities into Common Stock.
- (2) Represents the convertible preferred stock held by the Private Holders and public investors that Citigroup is offering to exchange for Common Stock. Assumes conversion of all outstanding shares of Series A1, B1, C1, D1, J1, K1, L2, N1 and T convertible preferred stock (\$15.669 billion aggregate liquidation preference) into Common Stock.
- (3) Reduction of preferred stock balance as a result of conversion of convertible preferred or exchange of non-convertible preferred stock.
- (4) Par value of newly issued Common Stock.

- (5) Additional paid-in capital (“APIC”) in respect of conversion of convertible preferred stock. The amount is equal to the sum of (i) the value of the inducement offer (see footnote 6 below) and (ii) the difference between the carrying amount of the preferred stock exchanged and the par value of the shares of Common Stock to be issued.
- (6) Value of inducement for the Exchange Offers and the USG/Private Holders Transactions represents the excess of the fair value on May 29, 2009 of the Common Stock to be issued in the Exchange Offers and the USG/Private Holders Transactions over the value on May 29, 2009 of the Common Stock issuable pursuant to the original conversion terms of the convertible preferred stock.
- (7) Represents the non-convertible preferred stock held by public investors that Citigroup is offering to exchange for Common Stock. Assumes exchange of all outstanding shares of Series AA, E and F Public Preferred Stock (\$11.755 billion aggregate liquidation preference).
- (8) Excess of the carrying amount of Series AA, E and F Public Preferred Stock over the fair value on May 29, 2009 of the Common Stock to be issued in the Exchange Offers.
- (9) Represents the non-convertible preferred stock held by the U.S. Treasury that Citigroup is offering to exchange for Common Stock, up to the amount of Subject Securities tendered by Private Holders and public investors. The non-convertible preferred stock held by the U.S. Treasury and not exchanged for Common Stock will be exchanged for new 8% trust preferred securities. Assumes exchange of all outstanding shares of Series H non-convertible preferred stock (\$25 billion aggregate liquidation preference) held by the U.S. Treasury into Common Stock and all outstanding shares of Series I non-convertible preferred stock (\$20 billion aggregate liquidation preference) held by the U.S. Treasury into new 8% trust preferred securities.
- (10) Issuance of new 8% trust preferred securities to the U.S. Treasury recorded at the estimated fair value as of May 29, 2009 for purposes of the pro forma balance sheet. The 8% trust preferred securities will ultimately be recorded at the commitment date fair value. In calculating the fair value of the new 8% trust preferred securities, Citigroup considered implied yields from prices of securities of a similar nature and maturities traded in the market on or immediately before May 29, 2009 and the contractual cash flows of the securities valued. The fair value used in the pro forma balance sheet is based on a 13.43% yield and a 30-year term.
- (11) Excess of the carrying amount of the outstanding shares of Series H and I non-convertible preferred stock over the fair value on May 29, 2009 of the Common Stock and the estimated fair value on May 29, 2009 of the new 8% trust preferred securities, in each case, to be issued to the U.S. Treasury in the USG/Private Holders Transactions.
- (12) Represents the guarantee-related non-convertible preferred stock held by the U.S. Treasury and the FDIC that Citigroup is offering to exchange for new 8% trust preferred securities. Assumes exchange of all outstanding shares of Series G non-convertible preferred stock (\$7.059 billion aggregate liquidation preference) held by the U.S. Treasury and the FDIC.
- (13) Issuance of new 8% trust preferred securities to the U.S. Treasury and the FDIC assumed to be recorded at the estimated fair value as of May 29, 2009 for purposes of the pro forma balance sheet. The 8% trust preferred securities will ultimately be recorded at the commitment date fair value. In calculating the fair value of the new 8% trust preferred securities, Citigroup considered implied yields from prices of securities of a similar nature and maturities traded in the market on or immediately before May 29, 2009 and the contractual cash flows of the securities valued. The fair value used in the pro forma balance sheet is based on a 13.43% yield and a 30-year term.
- (14) APIC in respect of newly issued Common Stock. For non-convertible preferred stock and Trust Preferred Securities exchanged for Common Stock, the amount is the excess of the fair value on May 29, 2009 of the Common Stock issued over its par value.
- (15) Deferred tax liability related to 8% trust preferred securities issued to U.S. Treasury recorded as a reduction of the net deferred tax asset position.
- (16) Excess of the carrying amount of the outstanding shares of Series G non-convertible preferred stock over the estimated fair value on May 29, 2009 of the new 8% trust preferred securities to be issued to the U.S. Treasury and the FDIC in the USG/Private Holders Transactions.
- (17) Excess of the carrying amount of Trust Preferred Securities to be retired over the fair value on May 29, 2009 of the Common Stock to be issued in exchange. This amount will be recorded in the income statement of the period during which this transaction is consummated.
- (18) The carrying amount of the Trust Preferred Securities proposed to be retired includes an estimated adjustment basis related to SFAS No. 133 hedging.
- (19) Amounts of income taxes estimated to be payable upon the retirement of the Trust Preferred Securities.

Low Participation Scenario

| (in millions of dollars) | Adjustments | | | | | | Pro Forma March 31, 2009 |
|--|-----------------------------|---|--|---|--|---|-----------------------------------|
| | Actual March 31, 2009 | Exchange of Convertible Preferred Stock held by Private Holders ⁽¹⁾ | Exchange of Non- Convertible Preferred Stock held by Public Investors ⁽⁶⁾ | Exchange of Non- Convertible Preferred Stock Held by U.S. Treasury ⁽⁸⁾ | Conversion of Guarantee- Related Non- Convertible Preferred Stock Held by U.S. Treasury and FDIC ⁽¹¹⁾ | Exchange of Trust Preferred Securities held by Public Investors ⁽¹⁶⁾ | |
| Assets | | | | | | | |
| Cash and due from banks and Deposits at | | | | | | | |
| interest with banks | \$ 190,566 | | | | | | \$ 190,566 |
| Federal funds sold and securities | | | | | | | |
| purchased | 179,603 | | | | | | 179,603 |
| Trading account assets | 335,222 | | | | | | 335,222 |
| Investments | 238,806 | | | | | | 238,806 |
| Loans, net | 625,589 | | | | | | 625,589 |
| Other assets | 212,770 | | | \$ (4,539) ⁽¹⁴⁾ | | | 208,231 |
| Goodwill and intangibles (other than mortgage servicing rights) | 40,022 | | | | | | 40,022 |
| Total assets | <u>\$1,822,578</u> | <u>\$ —</u> | <u>\$—</u> | <u>\$ (4,539)</u> | <u>\$ —</u> | <u>\$—</u> | <u>\$1,818,039</u> |
| Liabilities | | | | | | | |
| Total deposits | \$ 762,696 | | | | | | \$ 762,696 |
| Federal funds purchased and securities | | | | | | | |
| loan | 184,803 | | | | | | 184,803 |
| Trading account liabilities | 130,826 | | | | | | 130,826 |
| Long-term debt | 337,252 | | | \$ 19,614 ⁽⁹⁾ | \$ 4,260 ⁽¹²⁾ | | 361,126 |
| Other liabilities | 261,074 | | | | | | 261,074 |
| Total liabilities | <u>\$1,676,651</u> | <u>\$ —</u> | <u>\$—</u> | <u>\$ 19,614</u> | <u>\$ 4,260</u> | <u>\$—</u> | <u>\$1,700,525</u> |
| Equity | | | | | | | |
| Preferred Stock | \$ 74,246 | \$(12,500) ⁽²⁾ | | \$(43,293) ⁽²⁾ | \$(3,529) ⁽²⁾ | | \$ 14,924 |
| Common Stock | 57 | 38 ⁽³⁾ | | 38 ⁽³⁾ | | | 133 |
| Additional paid-in capital | 16,525 | 25,005 ⁽⁴⁾ | | 14,269 ⁽¹³⁾ | | | 55,799 |
| Retained Earnings | 86,115 | (12,543) ⁽⁵⁾ | (7) | 4,833 ⁽¹⁰⁾ | (731) ⁽¹⁵⁾ | (6) | 77,674 |
| Treasury stock, at cost | (5,996) | | | | | | (5,996) |
| Accumulated other comprehensive income (loss) | (27,013) | | | | | | (27,013) |
| Total Citigroup stockholder's equity .. | <u>\$ 143,934</u> | <u>\$ —</u> | <u>\$—</u> | <u>\$(24,153)</u> | <u>\$(4,260)</u> | <u>\$—</u> | <u>\$ 115,521</u> |
| Noncontrolling interest | 1,993 | | | | | | 1,993 |
| Total equity | <u>\$ 145,927</u> | <u>\$ —</u> | <u>\$—</u> | <u>\$(24,153)</u> | <u>\$(4,260)</u> | <u>\$—</u> | <u>\$ 117,514</u> |
| Total liabilities and equity | <u>\$1,822,578</u> | <u>\$ —</u> | <u>\$—</u> | <u>\$ (4,539)</u> | <u>\$ —</u> | <u>\$—</u> | <u>\$1,818,039</u> |

- (1) Represents the convertible preferred stock held by the Private Holders that Citigroup is offering to exchange for Common Stock. Assumes conversion of all outstanding shares of Series A1, B1, C1, D1, J1, K1, L2 and N1 convertible preferred stock (\$12.5 billion aggregate liquidation preference) into Common Stock.
- (2) Reduction of preferred stock balance as a result of conversion of convertible preferred or exchange of non-convertible preferred stock.
- (3) Par value of newly issued Common Stock.
- (4) APIC in respect of conversion of convertible preferred stock. The amount is equal to sum of (i) the value of the inducement offer (see footnote 6 below) and (ii) the difference between the carrying amount of the preferred stock exchanged and the par value of the shares of Common Stock to be issued.
- (5) Value of inducement for the Exchange Offers and the USG/Private Holders Transactions represents the excess of the fair value on May 29, 2009 of the Common Stock to be issued in the Exchange Offers and the USG/Private Holders Transactions over the value on May 29, 2009 of the Common Stock issuable pursuant to the original conversion terms of the convertible preferred stock.

- (6) Represents the non-convertible preferred stock held by public investors that Citigroup is offering to exchange for Common Stock. Trust Preferred Securities are not exchanged under the Low Participation Scenario.
- (7) Series AA, E and F Public Preferred Stock are not exchanged under the Low Participation Scenario.
- (8) Represents the non-convertible preferred stock held by the U.S. Treasury that Citigroup is offering to exchange for Common Stock, up to the amount of Subject Securities tendered by Private Holders and public investors. The non-convertible preferred stock held by the U.S. Treasury and not exchanged for Common Stock will be exchanged for new 8% trust preferred securities. Assumes exchange of all outstanding shares of Series H non-convertible preferred stock (\$25 billion aggregate liquidation preference) and all outstanding shares of Series I non-convertible preferred stock (\$20 billion aggregate liquidation preference) held by the U.S. Treasury into 3,846,153,846 shares of Common Stock and new 8% trust preferred securities with an aggregate liquidation amount of \$32.5 billion.
- (9) Issuance of new 8% trust preferred securities to the U.S. Treasury recorded at the estimated fair value as of May 29, 2009 for purposes of the pro forma balance sheet. The 8% trust preferred securities will ultimately be recorded at the commitment date fair value.
- (10) Excess of the carrying amount of the outstanding shares of Series H and I non-convertible preferred stock over the fair value on May 29, 2009 of the Common Stock and the estimated fair value on May 29, 2009 of the new 8% trust preferred securities, in each case, to be issued to the U.S. Treasury in the USG/Private Holders Transactions. In calculating the fair value of the new 8% trust preferred securities, Citigroup considered implied yields from prices of securities of a similar nature and maturities traded in the market on or immediately before May 29, 2009 and the contractual cash flows of the securities valued. The fair value used in the pro forma balance sheet is based on a 13.43% yield and a 30-year term.
- (11) Represents the guarantee-related non-convertible preferred stock held by the U.S. Treasury and the FDIC that Citigroup is offering to exchange for new 8% trust preferred securities. Exchange of all outstanding shares of Series G non-convertible preferred stock (\$7.059 billion aggregate liquidation preference) held by the U.S. Treasury and the FDIC.
- (12) Issuance of new 8% trust preferred securities to the U.S. Treasury and the FDIC recorded at estimated fair value as of May 29, 2009 for purposes of the pro forma balance sheet. The 8% trust preferred securities will ultimately be recorded at the commitment date fair value.
- (13) APIC in respect of newly issued Common Stock. For non-convertible preferred stock, the amount is the excess of the fair value on May 29, 2009 of the Common Stock over its par value. In calculating the fair value of the new 8% trust preferred securities, Citigroup considered implied yields from prices of securities of a similar nature and maturities traded in the market on or immediately before May 29, 2009 and the contractual cash flows of the securities valued. The fair value used in the pro forma balance sheet is based on a 13.43% yield and a 30-year term.
- (14) Deferred tax liability related to 8% trust preferred securities issued to U.S. Treasury recorded as a reduction of the net deferred tax asset position.
- (15) Excess of the carrying amount of the outstanding shares of Series G non-convertible preferred stock over the estimated fair value on May 29, 2009 of the new 8% trust preferred securities to be issued to the U.S. Treasury and the FDIC in the USG/Private Holders Transactions.
- (16) Represents Trust Preferred Securities held by public investors that Citigroup is offering to exchange for Common Stock.

Pro Forma Earnings Implications

The following presents the pro forma impact of the Exchange Offers and the USG/Private Holders Transactions on certain statement of income items and earnings per share (“EPS”) for the fiscal year ended December 31, 2008 and the quarter ended March 31, 2009 as if the Exchange Offers and USG/Private Holders Transactions had been completed on January 1, 2008. We have calculated the pro forma information below by (1) eliminating all of the actual dividends paid to holders of preferred stock in 2008 and in the first quarter of 2009⁽¹⁾, (2) assuming the new 8% trust preferred securities were issued on January 1, 2008⁽²⁾, (3) assuming that the Trust Preferred Securities accepted for exchange, if applicable, were retired on January 1, 2008 and (4) assuming that the new shares of Common Stock issuable in the Exchange Offers and the USG/Private Holders Transactions were issued on January 1, 2008. The retained earnings impact of the Exchange Offers and the USG/Private Holders Transactions has not been included in the analysis because it is not recurring.

| | Full Year 2008 | | | First Quarter 2009 | | |
|--|--------------------|--------------------|--------------------|--------------------|-----------------|-----------------|
| | Actual | High Scenario | Low Scenario | Actual | High Scenario | Low Scenario |
| After-tax Income (loss) from continuing operations ⁽⁸⁾ | \$ (32,443) | \$ (32,443) | \$ (32,443) | \$ 1,610 | \$ 1,610 | \$ 1,610 |
| Proforma adjustments to Interest Expense: | | | | | | |
| After-tax interest expense saved on retired E-TruPS ⁽⁶⁾ | N/A | 250 | — | N/A | 63 | — |
| After-tax interest expense on new 8% trust preferred securities ⁽³⁾ | N/A | (1,551) | (2,268) | N/A | (388) | (567) |
| Actual / Proforma after-tax income (loss) from continuing operations | \$ (32,443) | \$ (33,744) | \$ (34,711) | \$ 1,610 | \$ 1,285 | \$ 1,043 |
| Adjustments for income available to common shareholders ⁽⁴⁾⁽⁷⁾⁽⁹⁾ | (1,732) | — | — | (2,559) | — | — |
| Actual / Proforma income (loss) from continuing operations available to common shareholders | \$ (34,175) | \$ (33,744) | \$ (34,711) | \$ (949) | \$ 1,285 | \$ 1,043 |
| Common shares used to calculate EPS ⁽⁸⁾ | 5,265 | 5,265 | 5,265 | 5,385 | 5,385 | 5,385 |
| New shares proposed to be issued | N/A | 17,433 | 7,692 | N/A | 17,433 | 7,692 |
| Actual / Proforma Common shares used to calculate EPS | 5,265 | 22,698 | 12,957 | 5,385 | 22,818 | 13,077 |
| Actual / Proforma Earnings per share from continuing operations⁽⁵⁾: | | | | | | |
| Basic | \$ (6.45) | \$ (1.47) | \$ (2.65) | \$ (0.18) | \$ 0.06 | \$ 0.08 |
| Diluted | \$ (6.45) | \$ (1.48) | \$ (2.67) | \$ (0.18) | \$ 0.06 | \$ 0.08 |

- (1) Although the Low Participation Scenario assumes that some holders of preferred stock will not tender their shares, Citigroup has announced that it will suspend preferred dividends upon the closing of the Exchange Offers, and as a result all preferred dividends were eliminated. Further, we have not reflected payment of the preferred dividends based on the assumption that the Dividend Blocker Amendment will be approved by our stockholders.
- (2) This presentation assumes the new trust preferred securities were issued on and began to accrue interest from January 1, 2008, but eliminates actual dividends on preferred stock issued during 2008 and 2009. See footnote 7 below.

- (3) Citigroup's pro forma net income is negatively affected by the USG/Private Holders Transactions due to the interest expense (including the stated interest of the instruments and the periodic accretion between carrying amount and the par amount of the instruments) associated with the new 8% trust preferred securities to be issued to the U.S. Treasury and the FDIC upon exchange of preferred stock held by such entities. Under the High Participation Scenario, the preferred stock held by such entities to be converted into new 8% trust preferred securities has an aggregate liquidation preference of \$27.059 billion. Under the Low Participation Scenario, the aggregate liquidation preference of the preferred stock held by the U.S. Treasury and the FDIC to be converted into new 8% trust preferred securities is \$39.559 billion.
- (4) The High Participation Scenario assumes that there are no remaining shares of preferred stock outstanding. Although the Low Participation Scenario assumes that some holders of preferred stock will not tender their shares, Citigroup has announced that it will suspend preferred dividends upon the closing of the Exchange Offers, and as a result all preferred stock dividends were eliminated. Further, we have not reflected payment of the preferred dividends based on the assumption that the Dividend Blocker Amendment will be approved by our stockholders. In the event that the Dividend Blocker Amendment is not approved by Citigroup's stockholders and the board of directors elects to declare dividends on the common stock, the amount of preferred dividends payable per year would be approximately \$1,185 million based on the liquidation preference of Public Preferred Stock that remains outstanding under the Low Participation Scenario.
- (5) For the EPS of 2008, the pro forma income from continuing operations available to common shareholders is negative; thus diluted EPS equals basic EPS. For the EPS of the first quarter of 2009, the diluted number of common shares under the Low Participation Scenario is only 94 million shares greater than the number of basic shares, which impacts EPS by less than the decimals reported.
- (6) Citigroup's pro forma net income is positively affected by the retirement of the Trust Preferred Securities accepted for exchange, if applicable.
- (7) The Actual column for 2008 does not reflect the full year impact of the preferred dividends because certain preferred stock was issued in the latter part of 2008 and the dividends shown in the table above reflect the impact only for the period such shares were outstanding. Had all of the preferred stock issuances outstanding as of March 31, 2009 been outstanding for the entirety of 2008, the amount of preferred dividends related to Basic EPS would be approximately \$5,693 million.
- (8) The figures presented for the High and Low Participation Scenarios are before the pro forma adjustments.
- (9) Adjustments for Actual first quarter of 2009 results include the non-recurring impact of \$(1,285) million for the conversion price reset related to the \$12.5 billion convertible preferred stock issued in the private offering, preferred dividends of \$1,221 million and \$53 million related to the quarterly accretion of the Series H discount.

N/A Not applicable.

RISK FACTORS

You should carefully consider the risks described below and all of the information contained and incorporated by reference in this document before you decide whether to participate in the Exchange Offers. In particular, you should carefully consider, among other things, the matters discussed below and under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2008.

Risks Related to the Market Price and Value of the Common Stock Offered in the Exchange Offers

The Exchange Offers and the USG/Private Holders Transactions will result in a substantial amount of our Common Stock entering the market, which could adversely affect the market price of our Common Stock.

As of June 30, 2009, we had approximately 5.5 billion shares of Common Stock outstanding. Following consummation of the Exchange Offers and the USG/Private Holders Transactions, assuming the Exchange Offers are fully subscribed and stockholder approval of the Authorized Share Increase is obtained, this figure will increase to approximately 23 billion shares of Common Stock. The issuance of such a large number of shares of our Common Stock could adversely affect the market price of our Common Stock.

In addition, following the announcement of the Exchange Offers, short interest in our Common Stock increased significantly and has remained at high levels. Consummation of Exchange Offers will result in shares of our Common Stock being delivered to holders that may have short positions and we anticipate that a portion of those holders will close out their short positions, which will make more shares of our Common Stock available and may facilitate additional short selling, which could depress the market price of our Common Stock.

The value of the Common Stock being offered in the Exchange Offers may be lower than the liquidation preference of the Public Preferred Depositary Shares and the liquidation amount of the Trust Preferred Securities.

Depending on the type and series of Subject Securities that you hold, we are valuing such securities at only 85% or 95% of their liquidation preference or liquidation amount, as applicable. In addition, we are valuing the Common Stock that we are offering in exchange for your already discounted Subject Securities at \$3.25, which could be above the closing price of the shares of Common Stock you receive in the applicable Exchange Offer if your Subject Securities are accepted for exchange.

The number of shares of Common Stock offered in the Exchange Offers is fixed and will not be adjusted. The market price of our Common Stock may fluctuate, and the market price of the shares of Common Stock when we deliver the Common Stock in exchange for your Subject Securities could be less than the market price at the time you tender your Subject Securities.

The number of shares of Common Stock offered for each Subject Security accepted for exchange is fixed at the number of shares specified on the cover of this document and will not be adjusted regardless of any increase or decrease in the market price of our Common Stock or the Subject Securities after the date of this document. Therefore, the market price of the Common Stock when we deliver Common Stock in exchange for your Subject Securities could be less than the market price at the time you tender your Subject Securities. The market price of our Common Stock has recently been subject to significant fluctuations and volatility. The market price of our Common Stock could continue to fluctuate and be subject to volatility during the period of time between when we accept Subject Securities for exchange in an Exchange Offer and when we deliver Common Stock in exchange for Subject Securities, or during any extension of an Exchange Offer.

The market price of our Common Stock may be subject to continued significant fluctuations and volatility.

The stock markets have recently experienced high levels of volatility. These market fluctuations have adversely affected, and may continue to adversely affect, the trading price of our Common Stock. In addition, the market price of our Common Stock has been subject to significant fluctuations and volatility and may continue to

fluctuate or further decline. Factors that could cause fluctuations, volatility or further decline in the market price of our Common Stock, many of which could be beyond our control, include the following:

- changes or perceived changes in the condition, operations, results or prospects of our businesses and market assessments of these changes or perceived changes;
- announcements relating to significant corporate transactions, including the Exchange Offers and the USG/Private Holders Transactions;
- changes in governmental regulations or proposals, or new governmental regulations or proposals, affecting us, including those relating to the current financial crisis and global economic downturn;
- the continued decline, failure to stabilize or lack of improvement in general market and economic conditions;
- the departure of key personnel;
- operating and stock price performance of companies that investors deem comparable to us; and
- market assessments as to whether and when the Exchange Offers and the USG/Private Holders Transactions will be consummated.

Holdings are urged to obtain current market quotations for our Common Stock when they consider whether to participate in the Exchange Offers.

The price of our Common Stock is depressed and may not recover.

The price of our Common Stock has declined significantly from a closing price of \$55.12 on May 25, 2007 to a closing price of \$3.03 on July 16, 2009, the last practical trading day prior to the date of this document. There can be no assurance that our stock price will recover to prior levels or to any particular level. Many factors that we cannot predict or control, including the factors listed above under “The market price of our Common Stock may be subject to continued significant fluctuations and volatility,” may cause sudden changes in the price of our Common Stock or prevent the price of our Common Stock from recovering.

The fair value of Citigroup’s Common Stock on the expiration date of the Exchange Offers and the commitment date of the USG/Private Holders Transactions will affect the amount of net income available to common shareholders, earnings per share, retained earnings and additional paid-in capital recorded in our financial statements.

Using the price of the Common Stock on the commitment date instead of the closing price of \$3.72 on May 29, 2009 will impact the pro forma financial information presented in “Unaudited Pro Forma Financial Information,” which reflects the ultimate conversion of the Interim Securities into Common Stock. If the price per share of Common Stock on the commitment date is greater than the price on May 29, 2009, there will be an increase in additional paid-in capital and a decrease in net income available to common shareholders, earnings per share and retained earnings relative to the pro forma financial statement information. Conversely, if the price per share of Common Stock on the commitment date is less than the closing price on May 29, 2009, there will be a decrease in additional paid-in capital and increase in net income available to common shareholders, earnings per share and retained earnings relative to the pro forma financial statement information.

Furthermore, the estimated value of the new 8% trust preferred securities on the commitment day may differ from the estimated value used in the pro forma financial statements included in this document. If the estimated fair value of the new 8% trust preferred securities is greater than the value used in the following pro forma statements, the positive impact on retained earnings will be lower and the amount of deferred tax liabilities created by the Exchange Offers and the USG/Private Holders Transactions will also be lower. Conversely, if the estimated fair value of the new 8% trust preferred securities is lower than the value used in the following pro forma statements, the positive impact on retained earnings will be greater and the amount of deferred tax liabilities created by the Exchange Offers and the USG/Private Holders Transactions will also be greater.

Risks Related to the Rights of our Common Stock Compared to the Rights of our Debt Obligations and Senior Equity Securities, including the Subject Securities

All of our debt obligations and our senior equity securities, including the Interim Securities and any Subject Securities that remain outstanding after the Exchange Offers, will have priority over our Common Stock with respect to payment in the event of liquidation, dissolution or winding up, and possibly with respect to the payment of dividends.

In any liquidation, dissolution or winding up of Citigroup, our Common Stock would rank below all debt claims against the Company and claims of all of our outstanding shares of preferred stock and other senior equity securities, including the Interim Securities, any shares of Subject Securities that are not exchanged for Common Stock in the Exchange Offers and the new 8% trust preferred securities that will be issued to the USG in the USG/Private Holders Transactions. As a result, holders of our Common Stock, including holders of Subject Securities whose securities are accepted for exchange in the Exchange Offers, will not be entitled to receive any payment or other distribution of assets upon the liquidation, dissolution or winding up of Citigroup until after all our obligations to our debt holders have been satisfied and holders of senior equity securities have received any payment or distribution due to them.

In addition, our Certificate of Incorporation currently requires us to pay dividends on our preferred stock before we pay any dividends on our Common Stock. Although we are seeking stockholder approval of the Public Preferred Stock Amendments to eliminate these provisions from our Certificate of Incorporation, we may not obtain this approval. If we do not obtain this approval, holders of our Common Stock, including holders of Subject Securities whose securities are accepted for exchange in the Exchange Offers, will not be entitled to receive payment of any dividends on their shares of Common Stock unless and until we resume payments of dividends on our preferred stock.

Regardless whether the Public Preferred Stock Amendments are approved, the terms of our Trust Preferred Securities, including the new trust preferred securities to be issued to the USG, require payment of accrued distributions on those securities before any dividends are paid on our Common Stock (subject to certain exceptions).

Holders of Trust Preferred Securities whose securities are accepted in the Exchange Offers will be giving up their right to future distributions on those Trust Preferred Securities.

We announced on February 27, 2009, and reconfirmed on April 17, 2009, that we currently intend to continue paying distributions on our Trust Preferred Securities in accordance with their current terms. However, if your Trust Preferred Securities are tendered and accepted for exchange in the Trust Preferred Exchange Offer, you will be giving up your right to any accrued and unpaid distributions on your Trust Preferred Securities and any future distributions on your Trust Preferred Securities and we cannot offer any assurance that we will pay, or that we will be permitted to pay, dividends on our Common Stock in the future.

Dividends on our Common Stock will be suspended and you may not receive funds in connection with your investment in our Common Stock without selling your shares of our Common Stock.

On April 17, 2009, we announced that we do not plan to make any dividend payments on our Common Stock prior to the closing of the Exchange Offers. In addition, if we do not obtain stockholder approval of the Dividend Blocker Amendment, we will be unable to pay dividends on our Common Stock unless and until we resume payments of dividends on our preferred stock. Further, the USG has imposed restrictions, and may impose additional restrictions, on the amount of dividends we may pay on our Common Stock. Accordingly, you may have to sell some or all of your shares of our Common Stock in order to generate cash flow from your investment. You may not realize a gain on your investment when you sell the Common Stock and may lose the entire amount of your investment.

Risks Related to the Issuance of a Significant Amount of Common Stock and Dilution of Holders of our Common Stock, including Participants in the Exchange Offers

Our Common Stock will be further diluted by conversions of the Interim Securities and/or Warrants into, and future issuances of, our Common Stock.

The Interim Securities to be issued to the USG and the Private Holders will convert into up to approximately 11.5 billion shares of our Common Stock, assuming stockholder approval of the Authorized Share Increase is obtained. In addition, in the event that we do not obtain stockholder approval of the Authorized Share Increase within six months of the issuance of the Interim Securities, the Warrants will become immediately exercisable for an additional 790 million shares of our Common Stock. If the Warrants become exercisable, the Interim Securities will remain outstanding and will be automatically converted into Common Stock upon approval of the Authorized Share Increase, even if approved at a later date, resulting in further dilution to the existing holders of our Common Stock, including participants in the Exchange Offers. Future issuances of our Common Stock also could result in further dilution to the existing holders of our Common Stock. Additional dilution could have a material depressive effect on the market price of our Common Stock.

The securities that are the subject of the USG/Private Holders Transactions are not being exchanged at a discount to their liquidation preference.

Although we are valuing the Common Stock being offered in the USG/Private Holders Transactions at the same \$3.25 price per share as we are valuing the Common Stock being offered in the Exchange Offers, we are exchanging the securities that are the subject of the USG/Private Holders Transactions at the full amount of their liquidation preference and not subjecting them to the same 5-15% discount that we are applying to the liquidation preference and liquidation amount of the Subject Securities. For each \$1,000 liquidation preference accepted for exchange in the USG/Private Holders Transactions, each holder would receive approximately 307 shares of Common Stock, plus cash in lieu of any fractional share of Common Stock, compared to between approximately 261 to 292 shares of Common Stock in the Exchange Offers, plus cash in lieu of any fractional share of Common Stock. As a result, the number of shares of Common Stock issuable to the USG and the Private Holders per \$1,000 liquidation preference (assuming stockholder approval of the Authorized Share Increase is obtained) will be substantially larger than the aggregate number of shares of Common Stock issued to holders of Subject Securities with the same liquidation preference or liquidation amount.

Additional assistance from the USG may further dilute existing holders of our Common Stock, including participants in the Exchange Offers.

Since October 2008, Citigroup has issued approximately \$52 billion in equity securities to entities within the USG. While the USG/Private Holders Transactions and the Exchange Offers do not involve any additional investment in Citigroup by the USG, there can be no assurance that there will not be any additional USG programs or requirements in the future that could result in, or require, additional equity issuances that would further dilute the existing holders of our Common Stock (including participants in the Exchange Offers).

For example, as a result of the stress test conducted pursuant to the U.S. government's Supervisory Capital Assistance Program ("SCAP"), we are required to increase our Tier 1 Common by an additional \$5.5 billion, which requirement would be satisfied if we accept for exchange Public Preferred Depositary Shares and Trust Preferred Securities with an aggregate liquidation preference or amount of \$20.5 billion. If we accept for exchange less than this amount, we may have to increase our Tier 1 Common through other means, including by raising capital privately or issuing mandatory convertible preferred stock and related warrants to the U.S. Treasury pursuant to SCAP, which could further dilute the existing holders of our Common Stock including participants in the Exchange Offers.

In addition, such equity issuances would reduce any earnings available to the holders of our Common Stock and the return thereon unless our earnings increase correspondingly. We cannot predict the size of future equity issuances, if any, or the effect that they may have on the market price of the Common Stock. The issuance of

substantial amounts of equity, or the perception that such issuances may occur, could adversely affect the market price of our Common Stock. See also “Risk Factors—Future issuance of Citigroup common stock and preferred stock may reduce any earnings available to common shareholders and the return on the Company’s equity” in our Annual Report on Form 10-K for the year ended December 31, 2008.

We will not accept Subject Securities for exchange unless the tendering holder grants a Proxy Instruction to approve all of the Common Stock Amendments and, in the case of a tender by a holder of Public Preferred Depositary Shares as of the close of business on the Preferred Stock Record Date, unless the tendering holder grants a Voting Instruction to approve all of the Public Preferred Stock Amendments.

Tendering holders of Subject Securities must grant a Proxy Instruction to approve all of the Common Stock Amendments. As a result, even if you believe that one or all of the Common Stock Amendments would not be in your best interest (for example, if you elect to tender some, but not all of your Subject Securities in the Exchange Offers), if you wish to tender your Subject Securities you must nonetheless follow the instructions in the applicable letter of transmittal to instruct the Exchange Agent to deliver the shares of Common Stock to be issued in respect of your Subject Securities to the Voting Trust, to agree to the terms of the Voting Trust described in the applicable letter of transmittal and to irrevocably instruct the Voting Trustee to grant a proxy authorizing the execution of a written consent in favor of all of the Common Stock Amendments.

Similarly, tendering holders of Public Preferred Depositary Shares that were holders of Public Preferred Depositary Shares as of the close of business on the Preferred Stock Record Date must grant a Voting Instruction to approve of all of the Public Preferred Stock Amendments. As a result, even if you believe that one or more of the Public Preferred Stock Amendments would not be in your best interest (for example, if you elect to tender some, but not all of your Public Preferred Depositary Shares in the Public Preferred Depositary Exchange Offers), if you were a holder of Public Preferred Depositary Shares as of the close of business on the Preferred Stock Record Date and you wish to tender any of such Public Preferred Depositary Shares you must nonetheless follow the instructions in the applicable letter of transmittal to instruct BONY, as depositary for the Public Preferred Depositary Shares, to grant a proxy authorizing the execution of a written consent in favor of all of the Public Preferred Stock Amendments with respect to the Public Preferred Depositary Shares you tender.

The Exchange Offers and USG/Private Holders Transactions materially increase the risk that we could experience an “ownership change” in the future that could significantly limit our ability to utilize our deferred tax assets, depending on the value of our stock at the time of the “ownership change.”

As of March 31, 2009, we had recognized net deferred tax assets of approximately \$43.5 billion, which is included in our TCE. Our ability to utilize our deferred tax assets to offset future taxable income may be significantly limited if we experience an “ownership change” as defined in section 382 of the Internal Revenue Code of 1986, as amended (the “Code”). In general, an ownership change will occur if there is a cumulative change in our ownership by “5% shareholders” (as defined in the Code) that exceeds 50 percentage points over a rolling three-year period. A corporation that experiences an ownership change will generally be subject to an annual limitation on its pre-ownership change deferred tax assets equal to the value of the corporation immediately before the ownership change, multiplied by the long-term tax-exempt rate (subject to certain adjustments), provided that the annual limitation would be increased each year to the extent that there is an unused limitation in a prior year. The limitation arising from an ownership change under section 382 on our ability to utilize our deferred tax assets depends on the value of Citigroup’s stock at the time of the ownership change.

We will not experience an ownership change as a result of the Common Stock to be issued in the Exchange Offers and the USG/Private Holders Transactions; however, this Common Stock (other than the Common Stock issued to the USG) will be included in determining the cumulative change in our ownership for section 382 purposes. We estimate that the cumulative change in our ownership will be approximately 44 percentage points following these transactions (assuming maximum participation in the Exchange Offers). As a result, the Exchange Offers and the USG/Private Holders Transactions materially increase the risk that we could experience

an ownership change in the future. While we have adopted a Tax Benefits Preservation Plan (see below) to minimize the likelihood of transactions in our stock resulting in an ownership change, future stock issuances or transactions in our stock that may not be within our control, including dispositions of our stock by the USG, may cause us to experience an ownership change. If we experience an ownership change, our tangible common equity might be reduced.

In addition, the purpose of the Tax Benefits Preservation Plan is to protect our deferred tax assets and it is not designed as an “anti-takeover plan” (for example, it does not apply to acquisitions of at least a majority of our Common Stock made in connection with an offer to acquire 100% of our Common Stock). The Tax Benefits Preservation Plan may, however, have some “anti-takeover” effect in that it may otherwise deter (i) any person (that has not obtained the prior approval of our board of directors) from becoming a “5-percent shareholder,” as determined under the Internal Revenue Code, or (ii) any “grandfathered person” (other than the USG) under the Tax Benefits Preservation Plan from increasing an existing 5-percent stake by more than a specified amount under the Tax Benefits Preservation Plan. Please refer to the discussion under “The Exchange Offers—Tax Benefits Preservation Plan.”

Additional Risks Related to the Exchange Offers and USG/Private Holders Transactions

We may fail to realize all of the anticipated benefits of the Exchange Offers and USG/Private Holders Transactions.

The primary goal of the Exchange Offers and USG/Private Holders Transactions is to increase our TCE and Tier 1 Common. A view has recently developed that TCE and Tier 1 Common are important metrics for analyzing a banking organization’s financial condition and capital strength. We believe that increasing our TCE and Tier 1 Common will reduce our expenses associated with preferred stock dividends, enhance our standing with our regulators and improve market and public perception of our financial strength. However, given the relatively recent emergence of TCE and Tier 1 Common as important metrics for analyzing the financial condition and capital strength of a banking organization, and the rapidly changing and uncertain financial environment, there can be no assurance that we will achieve these objectives or that the benefits, if any, realized from the Exchange Offers and USG/Private Holders Transactions will be sufficient to restore market and public perception of our financial strength.

The USG will participate in the USG/Private Holders Transactions on a “dollar-for-dollar” basis with the holders of Subject Securities, up to an aggregate cap of \$25 billion in liquidation preference, which will magnify the impact of non-participating holders in the Exchange Offers.

In the event that less than \$12.5 billion of liquidation preference or amount of Subject Securities is tendered and accepted for exchange, each dollar of liquidation preference or liquidation amount of Subject Securities below \$12.5 billion that is not tendered for exchange in the Exchange Offers will reduce the participation of the USG in the USG/Private Holders Transactions on a “dollar-for-dollar” basis, effectively doubling the impact of each dollar of liquidation preference or liquidation amount of Subject Securities not tendered in the Exchange Offers below \$12.5 billion. If the participation level in the Exchange Offers is substantially lower than anticipated, the benefits that we anticipate realizing from the Exchange Offers and USG/Private Holders Transactions, including increased TCE, Tier 1 Common and market confidence, may be substantially impaired, or may not be realized at all.

We have not obtained a third-party determination that the Exchange Offers are fair to holders of the Subject Securities.

We are not making a recommendation as to whether you should exchange your Subject Securities in the Exchange Offers. We have not retained, and do not intend to retain, any unaffiliated representative to act solely on behalf of the holders of the Subject Securities for purposes of negotiating the Exchange Offers or preparing a report concerning the fairness of the Exchange Offers. You must make your own independent decision regarding your participation in the Exchange Offers.

Failure to successfully complete the Exchange Offers, the USG/Private Holders Transactions and to obtain stockholder approval of the Authorized Share Increase could negatively affect the price of our Common Stock.

Several conditions must be satisfied or waived in order to complete the Exchange Offers, including that the USG and the Private Holders complete an exchange of an aggregate of at least \$23 billion of our preferred stock for newly issued securities of Citigroup, that certain conditions to closing of the exchange by the USG of additional preferred stock for newly issued securities of Citigroup based on the level of participation in the Exchange Offers have been satisfied and that no event has occurred that in our reasonable judgment would materially impair the anticipated benefits to us of the Exchange Offers or that has had, or could reasonably be expected to have, a material adverse effect on us, our businesses, condition (financial or otherwise), income, operations or prospects. See “The Exchange Offers—Conditions of the Exchange Offers.” In addition, in order to complete the USG/Private Holders Transactions, several customary closing conditions must be satisfied, including the receipt of material regulatory approvals. The foregoing conditions may not be satisfied, and if not satisfied or waived, the Exchange Offers may not occur or may be delayed.

If the Exchange Offers and the USG/Private Holders Transactions are not completed or are delayed, or if stockholder approval of the Authorized Share Increase is not obtained or delayed, we may be subject to the following material risks:

- the market price of our Common Stock may decline to the extent that the current market price of our Common Stock reflects a market assumption that the Exchange Offers and the USG/Private Holders Transactions have been or will be completed;
- the market price of our Public Preferred Depositary Shares and Trust Preferred Securities may decline to the extent that the current market price of our Public Preferred Depositary Shares and Trust Preferred Securities reflects a market assumption that the Exchange Offers and the USG/Private Holders Transactions have been or will be completed;
- we may not be able to increase our TCE or Tier 1 Common and thus fail to increase a key measure of financial strength as viewed by our regulators and the market;
- we may be required to raise capital privately or issue mandatory convertible preferred stock and related warrants to the U.S. Treasury pursuant to the SCAP;
- for the first six months following issuance, each Interim Security will receive dividends in an amount equal to dividends paid on the number of shares of Common Stock into which such Interim Security is convertible; if the Authorized Share Increase is not approved within six months of the issuance of the Interim Securities, each Interim Security will accrue cumulative dividends equal to the greater of (x) 9% (increasing by 2 percentage points each quarter up to a cap of 19%) and (y) the dividend actually paid on the number of shares of Common Stock into which such Interim Security is convertible. If stockholder approval of the Authorized Share Increase is not obtained or is delayed, the Interim Securities will remain outstanding and will accrue dividends at a rate that will become more expensive to us over time (up to a cap). As a result, our TCE and Tier 1 Common may not improve to the desired level and if your Subject Securities are accepted for exchange, you will hold shares of Common Stock that are subordinated to the Interim Securities; and
- if stockholder approval of the Authorized Share Increase is not obtained within six months of the issuance of the Warrants, the Warrants for 790 million shares of Common Stock will become exercisable at a price of \$.01 per share and such exercise will be materially dilutive to existing holders of our Common Stock.

Risks Related to Not Participating in the Exchange Offers

If the Exchange Offers are successful, there may no longer be a trading market for the Public Preferred Depositary Shares, the market price for Public Preferred Depositary Shares may be depressed and there may be a limited trading market for certain series of the Trust Preferred Securities.

The Public Preferred Depositary Exchange Offers are for any and all Public Preferred Depositary Shares and any Public Preferred Depositary Shares not exchanged in the Public Preferred Depositary Exchange Offers will remain outstanding after the completion of such Exchange Offers. In the event that a sufficiently small number of Public Preferred Depositary Shares remain outstanding following such Exchange Offers, the reduction in the number of Public Preferred Depositary Shares available for trading and the suspension of dividends on the Public Preferred Depositary Shares may have a significant and adverse effect on the liquidity of any trading market for, and the market price of, Public Preferred Depositary Shares not exchanged in the Public Preferred Depositary Exchange Offers. There may not be an active market for the Public Preferred Depositary Shares, and, if we delist the Public Preferred Depositary Shares, holders of Public Preferred Depositary Shares may have an illiquid investment indefinitely.

Depending on the amount and series of Trust Preferred Securities that are accepted for exchange in the Trust Preferred Exchange Offer, the trading market for certain series of the Trust Preferred Securities that remain outstanding after the Trust Preferred Exchange Offer may be more limited. A reduced trading volume may decrease the price and increase the volatility of the market price of the Trust Preferred Securities that remain outstanding following the Trust Preferred Exchange Offer.

The Public Preferred Stock Amendments, if approved, will eliminate certain significant rights of the holders of Public Preferred Depositary Shares.

If we complete the Public Preferred Depositary Exchange Offers and obtain approval of the Public Preferred Stock Amendments, significant rights of holders of Public Preferred Depositary Shares will be eliminated, including their right (i) to receive preferred dividends before any junior securities; (ii) to receive dividends proportionately with all other series of stock that rank equally with such series of preferred stock, in the event that dividends have not been paid in full on such series of preferred stock; and (iii) subject to delisting of the Public Preferred Depositary Shares, to elect two additional directors to our board of directors in the event that we do not pay dividends on such series of preferred stock for six quarterly dividend periods (or in the case of the Series E Public Preferred Stock, for three semi-annual dividend periods), whether or not consecutive.

USE OF PROCEEDS

We will not receive any cash proceeds from the Exchange Offers.

CAPITALIZATION

The following table sets forth the carrying amount of our capitalization, as of March 31, 2009, on an actual basis and on a pro forma basis to reflect: (i) completion of the Exchange Offers and the USG/Private Holders Transactions under the Low Participation Scenario (as defined under “Unaudited Pro Forma Financial Information” above) and (ii) completion of the Exchange Offers and the USG/Private Holders Transactions under the High Participation Scenario (as defined under “Unaudited Pro Forma Financial Information” above). This table should be read in conjunction with the information set forth under “Selected Financial Data” and “Unaudited Pro Forma Financial Information” and our consolidated unaudited financial statements set forth in our Quarterly Report on Form 10-Q for the three months ended March 31, 2009, which are incorporated by reference into this document.

| | As of March 31, 2009 | | |
|---|----------------------|--|---|
| | Actual | Pro Forma for Exchange Offers and USG/Private Holders Transactions (Low) | Pro Forma for Exchange Offers and USG/Private Holders Transactions (High) |
| Total deposits | \$762,696 | \$762,696 | \$762,696 |
| Long-term debt ⁽¹⁾ | 337,252 | 361,126 | 347,535 |
| Mandatorily redeemable Trust Preferred Securities | 24,532 | 48,406 | 34,815 |
| Common shareholders' equity | 69,688 | 100,597 | 130,791 |
| Total Stockholders' Equity | 143,934 | 115,521 | 130,791 |

(1) Includes the pro forma amounts for liabilities related to mandatorily redeemable Trust Preferred Securities.

REGULATORY CAPITAL RATIOS

Citigroup is subject to risk-based capital guidelines issued by the Federal Reserve Board (FRB). Capital adequacy is measured, in part, based on two risk-based capital ratios, the Tier 1 and Total Capital (Tier 1 + Tier 2 Capital) ratios. Tier 1 Capital consists of core capital, while Total Capital also includes other items such as subordinated debt and loan loss reserves. Both measures of capital adequacy are stated as a percentage of risk-weighted assets.

Citigroup's risk-weighted assets are principally derived from application of the risk-based capital guidelines related to the measurement of credit risk, under which on-balance sheet assets and the credit equivalent amount of certain off-balance sheet exposures (such as financial guarantees, unfunded lending commitments, letters of credit, and derivatives) are assigned to one of several prescribed risk weight categories based upon the perceived credit risk associated with the obligor, or if relevant, the guarantor, the nature of the collateral, or external credit ratings. Risk-weighted assets also incorporate a measure for market risk on covered trading account positions, and all foreign exchange and commodity positions whether or not carried in the trading account. Excluded from risk-weighted assets are any assets, such as goodwill and deferred tax assets, to the extent required to be deducted from regulatory capital.

Citigroup is also subject to a Leverage Ratio requirement, a non-risk-based measure of capital adequacy, which is defined as Tier 1 Capital as a percentage of quarterly adjusted average assets.

To be “well capitalized” under federal bank regulatory agency definitions, a banking organization must have a Tier 1 Capital Ratio of at least 6%, a Total Capital Ratio of at least 10%, a Leverage Ratio of at least 3%, and

not be subject to an FRB directive to maintain higher capital levels. As noted in the following table, Citigroup was “well capitalized” under federal bank regulatory agency definitions at March 31, 2009 and December 31, 2008.

Citigroup Regulatory Capital Ratios

| | <u>Mar. 31, 2009</u> | <u>Dec. 31, 2008</u> |
|---|----------------------|----------------------|
| Tier 1 Common | 2.16% | 2.30% |
| Tier 1 Capital | 11.92 | 11.92 |
| Total Capital (Tier 1 and Tier 2) | 15.61 | 15.70 |
| Leverage ⁽¹⁾ | 6.60 | 6.08 |

(1) Tier 1 Capital divided by each period’s quarterly adjusted average assets.

The following table sets forth Citigroup’s regulatory capital ratios, as of March 31, 2009, on an “as reported” basis, as well as the basis point impacts to the ratios under pro forma bases. The pro forma bases present: (i) completion of the Exchange Offers and the USG/Private Holders Transactions under the Low Participation Scenario (as defined under “Unaudited Pro Forma Financial Information” above) and (ii) completion of the Exchange Offers and the USG/Private Holders Transactions under the High Participation Scenario (as defined under “Unaudited Pro Forma Financial Information” above). This table should be read in conjunction with the information set forth under “Selected Financial Data” and “Unaudited Pro Forma Financial Information” and our consolidated unaudited financial statements set forth in our Form 10-Q for the quarterly period ended March 31, 2009, which are incorporated by reference into this document.

The pro forma impacts presented in the table also reflect the fair value of the trust preferred securities to be issued under both the Low and High Participation Scenarios, as well as the assumption that the fair value of the trust preferred securities is approximately 60% of their liquidation amount.

| | <u>As of March 31, 2009</u> | | |
|----------------------------|-----------------------------|---|--|
| | <u>As Reported</u> | <u>Pro Forma for Exchange Offers and USG/Private Holders Transactions (Low)</u> | <u>Pro Forma for Exchange Offers and USG/Private Holders Transactions (High)</u> |
| | | <u>%</u> | <u>Bps</u> |
| | | | |
| Tier 1 Common | 2.16 | +342 | +623 |
| Tier 1 Capital | 11.92 | -43 | -3 |
| Total Capital | 15.61 | -4 | -2 |
| Leverage | 6.60 | -25 | -3 |

Tier 1 Capital Implications of Trust Preferred Securities Issued under Low and High Participation Scenarios

Under the Low Participation Scenario, in which it is assumed that none of the Public Preferred Depository Shares and none of the Trust Preferred Securities are exchanged for Common Stock, 50% of the liquidation preference of the \$25 billion of USG Series H preferred stock would be exchanged for Common Stock and the remaining 50% of liquidation preference would be exchanged for new trust preferred securities. As a result, the total amount of preferred stock held by the USG that would be exchanged or converted to trust preferred securities would have a liquidation preference of approximately \$39.5 billion, comprised of Series I preferred stock of \$20 billion, Series G preferred stock of approximately \$7 billion, and Series H preferred stock of \$12.5 billion. On a pro forma basis, under this scenario, approximately \$4 billion of the newly issued trust preferred securities would be excludable from Tier 1 Capital, exceeding the risk-based capital limit on the amount of qualifying trust preferred securities allowable within Tier 1 Capital. Citigroup estimates, on a pro

forma basis, that approximately \$5.9 billion of the approximately \$14.9 billion of Public Preferred Depositary Shares would need to participate in the exchange for Common Stock, assuming none of the Trust Preferred Securities participate, so as to preclude the exclusion of any newly issued trust preferred securities from Tier 1 Capital.

Under the High Participation Scenario, it is assumed that all of the USG Series H preferred stock, all of the convertible preferred stock held by the Private Holders, all of the Public Preferred Depositary Shares, and approximately \$5.6 billion of the Trust Preferred Securities (an aggregate liquidation preference and amount of approximately \$58 billion), would be exchanged for Common Stock. On a pro forma basis, under this scenario, none of the resultant trust preferred securities to be issued in connection with the conversion of the USG Series I preferred stock and Series G preferred stock would be excludable from Tier 1 Capital.

Tangible Common Equity (TCE) and Tier 1 Common

Citigroup's management believes TCE and Tier 1 Common are useful because they are measures utilized by its regulators and market analysts in evaluating a company's financial condition and capital strength.

TCE, as defined by the Company, represents common equity less goodwill and intangible assets (excluding mortgage servicing rights, "MSRs") net of the related deferred tax liabilities. Other companies may calculate TCE in a manner different from Citigroup. Citigroup's TCE was \$30.9 billion at March 31, 2009 and \$31.1 billion at December 31, 2008.

The Company's TCE Ratio (TCE divided by risk-weighted assets (see below "Components of Capital Under Regulatory Guidelines")) was 3.0% at March 31, 2009, and 3.1% at December 31, 2008, respectively.

TCE and related ratios are non-GAAP measures. A reconciliation of Citigroup's total stockholders' equity to TCE is included in the table below.

| <i>In millions of dollars, except ratio</i> | March 31, 2009 | December 31, 2008 |
|---|---------------------------|----------------------|
| Total Citigroup Stockholders' Equity | \$ 143,934 | \$ 141,630 |
| Preferred Stock | (74,246) | (70,664) |
| Common Equity | \$ 69,688 | \$ 70,966 |
| Goodwill | (26,410) | (27,132) |
| Intangible Assets (excluding MSRs) | (13,612) | (14,159) |
| Related net deferred tax liabilities | 1,254 | 1,382 |
| Tangible Common Equity (TCE) | \$ 30,920 | \$ 31,057 |
| Tangible Assets | | |
| GAAP assets | \$1,822,578 | \$1,938,470 |
| Goodwill | (26,410) | (27,132) |
| Intangible Assets (excluding MSRs) | (13,612) | (14,159) |
| Related deferred tax assets | (1,275) | (1,285) |
| Tangible Assets (TA)⁽¹⁾ | \$1,781,281 | \$1,895,894 |
| Risk-Weighted Assets (RWA) | \$1,023,038 | \$ 996,247 |
| TCE/TA RATIO | 1.7% | 1.6% |
| TCE RATIO (TCE/RWA) | 3.0% | 3.1% |

(1) GAAP Assets less Goodwill and Intangible Assets excluding mortgage servicing rights and the related deferred tax assets.

In conjunction with the conclusion of the Supervisory Capital Assessment Program (SCAP), banking regulators have developed a new measure of capital called Tier 1 Common defined as Tier 1 Capital less non-common elements including qualified perpetual preferred stock, qualifying minority interest in subsidiaries and qualifying trust preferred securities.

Tier 1 Common and related ratios are non-GAAP measures. A reconciliation of Citigroup's common stockholders' equity to Tier 1 Common is included in the table below.

Components of Capital Under Regulatory Guidelines

| <i>In millions of dollars</i> | Mar. 31, 2009 | Dec. 31, 2008 ⁽¹⁾ |
|--|--------------------------|---------------------------------|
| Tier 1 Common | | |
| Citigroup common stockholders' equity | \$ 69,688 | \$ 70,966 |
| Less: Net unrealized gains (losses) on securities available-for-sale, net of tax ⁽²⁾ | (10,040) | (9,647) |
| Less: Accumulated net losses on cash flow hedges, net of tax | (3,706) | (5,189) |
| Less: Pension liability adjustment, net of tax ⁽³⁾ | (2,549) | (2,615) |
| Less: Cumulative effect included in fair value of financial liabilities attributable to credit worthiness, net of tax ⁽⁴⁾ | 3,487 | 3,391 |
| Less: Disallowed deferred tax assets ⁽⁵⁾ | 22,920 | 23,520 |
| Less: Intangible assets: | | |
| Goodwill | 26,410 | 27,132 |
| Other disallowed intangible assets | 10,205 | 10,607 |
| Other | (870) | (840) |
| Total Tier 1 Common | \$ 22,091 | \$ 22,927 |
| Qualifying perpetual preferred stock | \$ 74,246 | \$ 70,664 |
| Qualifying mandatorily redeemable securities of subsidiary trusts | 24,532 | 23,899 |
| Minority interest | 1,056 | 1,268 |
| Total Tier 1 Capital | \$ 121,925 | \$ 118,758 |
| Tier 2 Capital | | |
| Allowance for credit losses ⁽⁶⁾ | \$ 13,200 | \$ 12,806 |
| Qualifying debt ⁽⁷⁾ | 24,379 | 24,791 |
| Unrealized marketable equity securities gains ⁽²⁾ | 157 | 43 |
| Total Tier 2 Capital | \$ 37,736 | \$ 37,640 |
| Total Capital (Tier 1 and Tier 2) | \$ 159,661 | \$ 156,398 |
| Risk-Weighted Assets ⁽⁸⁾ | \$ 1,023,038 | \$ 996,247 |

(1) Reclassified to conform to the current period presentation.

(2) Tier 1 Capital excludes net unrealized gains (losses) on available-for-sale debt securities and net unrealized gains on available-for-sale equity securities with readily determinable fair values, in accordance with regulatory risk-based capital guidelines. In arriving at Tier 1 Capital, institutions are required to deduct net unrealized losses on available-for-sale equity securities with readily determinable fair values, net of tax. Institutions are permitted to include in Tier 2 Capital up to 45% of pretax net unrealized gains on available-for-sale equity securities with readily determinable fair values.

(3) The FRB granted interim capital relief for the impact of adopting SFAS 158.

(4) The impact of including Citigroup's own credit rating in valuing liabilities for which the fair value option has been elected is excluded from Tier 1 Capital, in accordance with regulatory risk-based capital guidelines.

(5) Of Citigroup's approximately \$43 billion of net deferred tax assets at March 31, 2009, approximately \$15 billion of such assets were includable without limitation in regulatory capital pursuant to the risk-based capital guidelines, while approximately \$23 billion of such assets exceeded the limitation imposed by these guidelines and, as "disallowed deferred tax assets," were deducted in arriving at Tier 1 Capital. Citigroup's other approximately \$5 billion of net deferred tax assets at March 31, 2009 primarily represented the deferred tax effects of unrealized gains and losses on available-for-sale debt securities, which are permitted to be excluded prior to deriving the amount of net deferred tax assets subject to limitation under the guidelines. Citigroup had approximately \$24 billion of disallowed deferred tax assets at December 31, 2008.

(6) Includable up to 1.25% of risk-weighted assets. Any excess allowance is deducted from risk-weighted assets.

(7) Includes qualifying subordinated debt in an amount not exceeding 50% of Tier 1 Capital.

(8) Includes risk-weighted credit equivalent amounts, net of applicable bilateral netting agreements, of \$91.9 billion for interest rate, commodity and equity derivative contracts, foreign-exchange contracts and credit derivatives as of March 31, 2009, compared with \$102.9 billion as of December 31, 2008. Market-risk-equivalent assets included in risk-weighted assets amounted to \$96.2 billion at March 31, 2009 and \$101.8 billion at December 31, 2008. Risk-weighted assets also include the effect of certain other off-balance sheet exposures, such as unused lending commitments and letters of credit, and reflect deductions for certain intangible assets and any excess allowance for credit losses.

THE EXCHANGE OFFERS

Purpose and Background of the Transactions

On February 27, 2009, we announced that we would exchange certain series of our preferred stock held by the USG and the Private Holders for Interim Securities and Warrants to purchase Common Stock, as described below, and that we would commence the Exchange Offers.

Purpose of the Exchange Offers

Citigroup is subject to risk-based capital ratio guidelines issued by the FRB. One such ratio representing Tier 1 Capital, which is considered “core capital,” is stated as a percentage of risk-weighted assets. To be “well capitalized” under federal bank regulatory agency definitions, a banking organization must have a Tier 1 Capital ratio of at least 6%.

In the past, Citigroup (and its regulators, including the FRB) have focused on Tier 1 Capital as a key measure of risk capital for banking organizations, and based on Citigroup’s Tier 1 Capital ratio of 11.92% as of March 31, 2009, Citigroup is very well capitalized. However, a view has recently developed that TCE and Tier 1 Common are important metrics for analyzing a banking organization’s financial condition and capital strength.

The primary purpose of the Exchange Offers and USG/Private Holders Transactions is to make Citigroup a strongly capitalized bank on a TCE and Tier 1 Common basis. As defined by Citigroup, TCE represents common equity less goodwill and intangible assets (excluding mortgage servicing rights) net of the related deferred tax liabilities. Depending upon the level of participation in the Exchange Offers and completion of the USG/Private Holders Transactions, Citigroup’s TCE could increase by up to approximately \$61 billion and Tier 1 Common could increase by up to approximately \$64 billion (an improvement of up to 623 bps to the Tier 1 Common ratio), in each case, as of March 31, 2009, on a pro forma basis. TCE and Tier 1 Common are non-GAAP measures. For a more detailed discussion and description of these measures, see “Regulatory Capital Ratios.”

Background to the Transactions

In the USG/Private Holders Transactions, we will exchange certain series of our preferred stock held by the USG and the Private Holders for Interim Securities at an exchange price (referred to herein as the “related offers exchange ratio”) of \$3.25 per share (relative to the aggregate liquidation preference of the preferred stock exchanged) and for Warrants. The material terms of the Interim Securities and Warrants are described below.

The interim securities (the “Interim Securities”) are a new class of stock to be created from our blank check preferred stock authority, to be designated as “Series M Common Stock Equivalent.” The following are the material terms of the Interim Securities:

- the number of Interim Securities to be issued to any holder will be determined by the related offers exchange ratio;
- the Interim Securities will automatically convert into shares of Common Stock if the Authorized Share Increase is approved by our stockholders;
- for the first six months following issuance, each Interim Security will receive dividends in an amount equal to dividends paid on the number of shares of Common Stock into which such Interim Security is convertible; if the Authorized Share Increase is not approved within six months of the issuance of the Interim Securities, each Interim Security will have a cumulative dividend equal to the greater of (x) 9% (increasing by 2 percentage points each quarter up to a cap of 19%) and (y) the dividend actually paid on the number of shares of Common Stock into which such Interim Security is convertible;
- the Interim Securities will rank equally with the Public Preferred Stock in the event that we liquidate or dissolve;

- after six months following the issuance of the Interim Securities, the Interim Securities will rank equally with the Public Preferred Stock with respect to (x) receiving dividends proportionately with all other series of stock that rank equally with such series in the event that dividends on such series have not been paid in full and (y) the right to, together with other parity stock (subject to the results of the vote with respect to the Director Amendment), elect two additional directors to our board of directors in the event that we do not pay dividends on the Interim Securities for six quarterly dividend periods (or in the case of the Series E Public Preferred Stock for three semi-annual dividend periods), whether or not consecutive;
- the Interim Securities will have the right to (x) receive dividends before any junior stock or other preferred stock dividends are paid after six months following issuance of the Interim Securities, subject to the dividend sharing provision described in (x) in the paragraph above, and (y) approve any amendment to our Certificate of Incorporation that would adversely affect the Interim Securities voting as a separate class; and
- generally, the Interim Securities will have the same voting rights as the Common Stock and will vote together, as one class with holders of our Common Stock; however, the Interim Securities do not have voting rights on the Common Stock Amendments, and the Interim Securities will not vote on any of the Public Preferred Stock Amendments.

Warrants (each, a “Warrant”) to purchase our Common Stock will be issued to each of the USG and the Private Holders. The following are the material terms of the Warrants:

- the Warrants will only become exercisable if the Authorized Share Increase is not approved by our stockholders within six months after the issuance of the Warrants;
- if the Authorized Share Increase is approved by our stockholders, the Warrants will automatically expire;
- the exercise price of the Warrants will be equal to \$0.01 per share; and
- the total number of shares of Common Stock underlying the Warrants will be 790,000,000.

Other material terms of the USG/Private Holders Transactions include the following:

- the USG would participate in the USG/Private Holders Transactions on a “dollar-for-dollar” basis with the exchanging Private Holders of our preferred stock, who collectively hold preferred stock with an aggregate liquidation preference of \$12.5 billion;
- the USG’s participation is conditioned on at least \$11.5 billion in aggregate liquidation preference of our preferred stock being exchanged by the Private Holders;
- the USG has also agreed to exchange an additional amount of its preferred stock to match on a “dollar-for-dollar” basis the aggregate liquidation preference or amount of the Subject Securities exchanged in the Exchange Offers, subject to an overall cap of \$25 billion aggregate liquidation preference of USG Preferred Stock exchanged;
- the USG and the FDIC currently hold Citigroup preferred stock with an aggregate liquidation preference of approximately \$52 billion. The preferred stock that is not exchanged by the USG in the exchanges described in the three preceding bullets, and the preferred stock held by the FDIC, will be exchanged for a new series of trust preferred securities with a coupon of 8% and having other material terms substantially similar to our outstanding TRUPS®; and
- each of the USG and the Private Holders exchanging in the USG/Private Holders Transactions is entitled to preemptive rights if we issue Common Stock (or securities that are convertible or

exercisable into or exchangeable for Common Stock) within one year after the consummation of the U.S. Treasury Private Transaction or the Private Holders Transactions (each, as defined in “The Exchange Agreements” below), as applicable at a price per share of Common Stock of less than \$3.25 (or if the conversion, exercise or exchange price per share of Common Stock is less than \$3.25), as appropriately adjusted in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to Common Stock.

The consummation of the USG/Private Holders Transactions is also subject to certain conditions, including the receipt of material regulatory approvals and the accuracy of representations and warranties of each party. We cannot assure you that the Authorized Share Increase will be approved by our stockholders or that the USG/Private Holders Transactions will be consummated on the terms or schedule described above. See “Risk Factors.” For a more detailed description of the agreements with the Private Holders, see “The Exchange Agreements.”

Ordinarily, stockholders would be required to approve the Exchange Offers and the issuance of the Interim Securities because Rule 312.03(c)(1) of the Listed Company Manual of the NYSE requires us to obtain stockholder approval to issue Common Stock if the Common Stock has, or will have upon issuance, voting power equal to or in excess of 20% of the voting power outstanding before the issuance, or if the Common Stock is, or will be upon issuance, equal to or in excess of 20% of the number of shares of Common Stock outstanding before the issuance. Assuming 100% participation in the Exchange Offers, the issuance of Common Stock in exchange for Public Preferred Depositary Shares and Trust Preferred Securities pursuant to the Exchange Offers, and the issuance of the Interim Securities, would satisfy both of these tests. However, pursuant to an exception in Section 312.05 of the NYSE Listed Company Manual, our Audit and Risk Management Committee approved our obtaining a waiver in lieu of seeking stockholder approval that would otherwise have been required under Section 312.03. We believe that speed and certainty in consummating the Exchange Offers and the USG/Private Holders Transactions on the announced structure (without delay for stockholder approval or other conditions) is crucial, taking into account the new emphasis on TCE and Tier 1 Common, the agreements we have with our regulators (including the FRB), and the belief that prompt execution of the Exchange Offers and the USG/Private Holders Transactions is critical for protecting market confidence in Citigroup. We received approval from the NYSE for the use of the exception, and in connection with such exception, mailed the requisite letter to all stockholders notifying them of our intention to issue the securities without prior stockholder approval. Therefore, we have not and will not be seeking stockholder approval for the issuance of Common Stock in connection with the Exchange Offers or for the issuance of the Interim Securities.

Amendments to the Trust Preferred Securities

On June 29, 2009 provisions were added to the declarations of trust of all series of our Trust Preferred Securities that allow us to deliver any Trust Preferred Securities held by us, including any such securities accepted for exchange in the Trust Preferred Exchange Offer, to the applicable trustee for cancellation. In exchange, the applicable trustee will return to us a corresponding amount of underlying junior subordinated debt. The junior subordinated debt can then be presented by us to the applicable debt trustee for cancellation under the existing terms of the applicable indentures. On June 29, 2009 we also added provisions to the junior subordinated debt securities underlying each series of E-TRUPS® that give us the option of selling depositary shares representing fractional interests in a share of common equivalent preferred stock in order to satisfy our obligations under the alternative payment mechanism feature of the E-TRUPS®. No approval of holders of Trust Preferred Securities was required or sought in connection with these amendments.

The Amendments

Together with this document, we have delivered the Preferred Proxy Statement and the Common Proxy Statement, attached as Annex A and Annex B, respectively, to holders of our Public Preferred Depositary Shares and we have delivered the Common Proxy Statement to holders of our Trust Preferred Securities. These proxy statements form a part of this document.

Public Preferred Stock Amendments

We are seeking approval of the holders of our Public Preferred Depositary Shares and our Common Stock to amend our Certificate of Incorporation and the certificates of designation of each series of Public Preferred Stock as follows:

- to eliminate the requirement that:
 - full dividends on all outstanding shares of the series of Public Preferred Stock must have been declared and paid or declared and set aside before we may pay any dividend on, make any distributions relating to, or redeem, purchase, acquire or make a liquidation payment relating to our common stock or any other securities junior to such series of Public Preferred Stock;
 - if full dividends are not declared and paid in full on any series of Public Preferred Stock, dividends with respect to all series of stock ranking equally with such series of Public Preferred Stock will be declared on a proportional basis, such that no series is paid a greater percentage of its stated dividend than any other equally ranking series; and
 - dividends on outstanding shares of preferred stock be paid or declared and set apart for payment, before any dividends may be paid or declared and set apart for payment on any outstanding shares of common stock (collectively, the “Dividend Blocker Amendment”);
- to eliminate, upon the delisting of a series of Public Preferred Depositary Shares, the right of holders of Public Preferred Stock to elect two additional directors if dividends have not been paid for six quarterly dividend periods (or, in the case of the Series E Public Preferred Stock, for three semi-annual dividend periods), whether or not consecutive (the “Director Amendment”);
- to clarify that any shares of any series of Public Preferred Stock acquired by us may not be reissued by us as part of such series, and will instead be restored to the status of authorized but unissued shares of preferred stock without designation as to series (the “Retirement Amendment”); and
- to increase the number of authorized shares of preferred stock from 30 million to 2 billion (the “Authorized Preferred Stock Increase”).

Pursuant to the Preferred Proxy Statement, we are soliciting Voting Instructions from holders of the Public Preferred Depositary Shares as of the close of business on the Preferred Stock Record Date.

In order to validly tender your Public Preferred Depositary Shares in the Exchange Offers, you must: (1) if you were a record holder of your Public Preferred Depositary Shares as of the close of business on the Preferred Stock Record Date, give a voting instruction, in the manner specified in the letter of transmittal, with respect to such Public Preferred Depositary Shares, instructing BONY, as depositary, to grant a proxy to execute a written consent in favor of each of the Public Preferred Stock Amendments, or (2) if you were a beneficial owner of Public Preferred Depositary Shares as of the close of business on the Preferred Stock Record Date, contact your bank, broker, custodian or other nominee promptly and instruct it to give to BONY, as depositary, a voting instruction, in the manner specified in the letter of transmittal, with respect to such Public Preferred Depositary Shares, in favor of the Public Preferred Stock Amendments.

If you were not a record or beneficial holder of your Public Preferred Depositary Shares as of the close of business on the Preferred Stock Record Date, you will not be required to grant a Tendering Voting Instruction with respect to such shares in order to tender your shares in the Exchange Offers, but you will be required to certify that you were not a holder of Public Preferred Depositary Shares as of the close of business on the Preferred Stock Record Date.

If you do not wish to tender your Public Preferred Depositary Shares in an Exchange Offer, but you wish to take action with respect to the Public Preferred Stock Amendments, you must: (1) if you were a record holder of your Public Preferred Depositary Shares as of the close of business on the Preferred Stock Record Date, give a voting instruction to BONY using the detachable form provided in the letter of transmittal instructing BONY, as

depository, to consent to, withhold consent on, or abstain on each Public Preferred Stock Amendment and discard the remaining portions of the letter of transmittal, or (2) if you were a beneficial owner of Public Preferred Depository Shares as of the close of business on the Preferred Stock Record Date, contact your bank, broker, custodian or other nominee promptly and instruct it to give a voting instruction on your behalf to BONY, as depository.

Under Delaware law and our Certificate of Incorporation, the affirmative written consent of holders, as of the close of business on the Preferred Stock Record Date, of (1) two-thirds of the Public Preferred Depository Shares, voting together as a class, and a majority of the Common Stock, voting as a class, are required to approve each of the Dividend Blocker Amendment, the Director Amendment and the Retirement Amendment and (2) a majority of the Public Preferred Depository Shares and the USG Preferred Stock, voting together as a class, and a majority of the Common Stock, voting as a class, are required to approve the Authorized Preferred Stock Increase. In addition, two-thirds of each series of the USG Preferred Stock are required to approve the amendment described in the third bullet of the Dividend Blocker Amendment.

When voting on the Dividend Blocker Amendment, the Retirement Amendment and the Authorized Preferred Stock Increase, the Public Preferred Stock votes by number of shares, with holders being entitled to one vote per share of Public Preferred Stock. When voting on the Director Amendment, the Public Preferred Stock votes by liquidation preference and each share of Series E, Series F and Series AA Preferred Stock is entitled to 25,000 votes and each share of Series T Preferred Stock is entitled to 50,000 votes. Pursuant to depository agreements entered into by the holders of the Public Preferred Depository Shares and BONY, as depository, will vote the shares of each series of Public Preferred Stock in accordance with the votes of the relevant series of Public Preferred Depository Shares.

Each Series F, Series AA and Series T Public Preferred Depository Share represents a 1/1,000th fractional interest in a share of Series F, Series AA or Series T Preferred Stock and each Series E Public Preferred Depository Share represents a 1/25th fractional interest in a share of Series E Preferred Stock. Accordingly, when voting on the Dividend Blocker Amendment, the Retirement Amendment and the Authorized Preferred Stock Increase, the holder of each Series F, Series AA and Series T Public Preferred Depository Share is entitled to 1/1,000th of a vote per Public Preferred Depository Share held as of the close of business on the Preferred Stock Record Date and the holder of each Series E Public Preferred Depository Share is entitled to 1/25th of a vote per Series E Public Preferred Depository Share held as of the close of business on the Preferred Stock Record Date. When voting on the Director Amendment, the holder of each Series F and Series AA Public Preferred Depository Share is entitled to 25 votes per Public Preferred Depository Share held as of the close of business on the Preferred Stock Record Date, the holder of each Series E Public Preferred Depository Share is entitled to 1,000 votes per Public Preferred Depository Share held as of the Record Date, and the holder of each Series T Public Preferred Depository Share is entitled to 50 votes per Public Preferred Depository Share held as of the close of business on the Preferred Stock Record Date. Fractional votes of each Public Preferred Depository Share on each matter will be aggregated with the fractional votes of other Public Preferred Depository Shares submitting the same Voting Instructions on that matter, and the Voting Trustee will grant or withhold written consents or abstain on each matter for the number of whole shares resulting from such aggregation in accordance with the instructions on the Voting Instruction.

For additional information on the Public Preferred Stock Amendments, please refer to the Preferred Proxy Statement, which is attached as Annex A to, and forms a part of, this document and which we delivered to holders of Public Preferred Depository Shares together with this document.

Common Stock Amendments

In addition to the Public Preferred Stock Amendments, we are also seeking the approval of the following proposals to amend our Certificate of Incorporation:

- increasing the number of authorized shares of Common Stock from 15 billion to 60 billion;

- (i) effecting a reverse stock split of our Common Stock at any time prior to June 30, 2010 at one of seven reverse split ratios, 1-for-2, 1-for-5, 1-for-10, 1-for-15, 1-for-20, 1-for 25 or 1-for-30, as determined by our board of directors in its sole discretion, and (ii) if and when the reverse stock split is effected, reducing the number of authorized shares of our Common Stock by the reverse stock split ratio determined by the board of directors; and
- eliminating the voting rights of shares of Common Stock with respect to any amendment to the Certificate of Incorporation (including any Certificate of Designation related to any series of preferred stock) that relates solely to the terms of one or more outstanding series of preferred stock, if such series of preferred stock is entitled to vote, either separately or together as a class with the holders of one or more other such series, on such amendment.

Pursuant to the Common Proxy Statement, we are soliciting your Proxy Instructions in respect of the shares of Common Stock that you will receive if we accept any Public Preferred Depositary Shares or Trust Preferred Securities for exchange in the Exchange Offers.

We will not accept your Public Preferred Depositary Shares or Trust Preferred Securities for exchange unless you follow the procedures contained in the letter of transmittal related to the applicable Exchange Offer to instruct the Voting Trustee of the Voting Trust to grant a proxy to the individuals designated by Citigroup in the Voting Trust Agreement to execute a written consent to approve each of the Common Stock Amendments in respect of the Common Stock to be issued to you in the Exchange Offers. If we accept your Public Preferred Depositary Shares or Trust Preferred Securities for exchange in the Exchange Offers, your Proxy Instructions will become (and the proxy granted by the Voting Trustee will be) irrevocable, and you will not be able to change your vote.

Approval of the Common Stock Amendments requires the affirmative written consent of a majority of the shares of our Common Stock outstanding at the close of business on the record date for the Common Stock Amendments, which will be the settlement date of the Exchange Offers.

By tendering your Public Preferred Depositary Shares or Trust Preferred Securities in the Exchange Offers in accordance with the applicable letter of transmittal, you irrevocably (i) agree and consent to all of the Common Stock Amendments, (ii) instruct the Voting Trustee to grant an irrevocable proxy in favor of the Common Stock Amendments, (iii) subject to and effective upon acceptance for exchange of your tendered Public Preferred Depositary Shares or Trust Preferred Securities, agree to the terms of the Voting Trust Agreement and (iv) acknowledge that by tendering your Public Preferred Depositary Shares or Trust Preferred Securities, you will become a party to the Voting Trust Agreement. The shares of Common Stock issued pursuant to the Exchange Offers will be delivered to the Voting Trust on the settlement date of the Exchange Offers to be held in trust. The Voting Trustee, pursuant to the terms of the Voting Trust Agreement, will execute and deliver a proxy in respect of such Common Stock to the individuals named in the Voting Trust Agreement to execute a written consent in favor of the Common Stock Amendments. The shares of Common Stock issued in exchange for your tendered Public Preferred Depositary Shares or Trust Preferred Securities will thereafter be released from the Voting Trust within one business day and will be distributed to you.

For additional information on the Common Stock Amendments, please refer to the Common Proxy Statement, which is attached as Annex B to, and forms a part of, this document and which we delivered to you together with this document.

Tax Benefits Preservation Plan

The following is a summary of the material terms of the Tax Benefits Preservation Plan (as defined below). It may not contain all of the information that is important to you and is qualified in its entirety by reference to the Tax Benefits Preservation Plan.

On June 9, 2009, our board of directors adopted a Tax Benefits Preservation Plan. The purpose of the Tax Benefits Preservation Plan is to protect our ability to utilize certain tax assets, such as net operating loss

carryforwards and tax credits (the “Tax Benefits”), to offset future income. Our use of the Tax Benefits in the future could be significantly limited if we experience an “ownership change” for U.S. federal income tax purposes. In general, an “ownership change” will occur if there is a cumulative change in our ownership by “5-percent shareholders” (as defined under U.S. income tax laws) that exceeds 50 percentage points over a rolling three-year period. The Tax Benefits Preservation Plan is designed to reduce the likelihood that we will experience an ownership change by (i) discouraging any person or group from becoming a “5-percent shareholder” and (ii) discouraging any existing “5-percent shareholder” from acquiring more than a specified number of additional shares of our stock. There is no guarantee, however, that the Tax Benefits Preservation Plan will prevent us from experiencing an ownership change.

A corporation that experiences an ownership change will generally be subject to an annual limitation on certain of its pre-ownership change tax assets equal to the value of the corporation immediately before the ownership change, multiplied by the long-term tax-exempt rate (subject to certain adjustments), provided that the annual limitation would be increased each year to the extent that there is an unused limitation in a prior year. The limitation arising from an ownership change on our ability to utilize the Tax Benefits depends on the value of Citigroup’s stock at the time of the ownership change.

If the Tax Benefits are subject to limitation because we experience an ownership change, depending on the value of Citigroup’s stock at the time of the ownership change, our TCE might be reduced.

After giving careful consideration to this issue, in light of the Exchange Offers and the USG/Private Holders Transactions, our board of directors has concluded that the Tax Benefits Preservation Plan is in the best interests of Citigroup and its stockholders. As discussed above, the purpose of the Tax Benefits Preservation Plan is to protect our deferred tax assets. The plan is not designed as an “anti-takeover plan” and lacks some features of such a plan (for example, it does not apply to acquisitions of at least a majority of our Common Stock made in connection with an offer to acquire 100% of our Common Stock, as discussed below). However, the Tax Benefits Preservation Plan may have some “anti-takeover” effect because it may otherwise deter (i) any person (that has not obtained the prior approval of our board of directors) from becoming a 5-percent shareholder, or (ii) any “grandfathered person” (as described below) (other than the USG) under the Tax Benefits Preservation Plan from increasing an existing 5-percent stake by more than a specified amount under the Tax Benefits Preservation Plan.

In connection with the adoption of the Tax Benefits Preservation Plan, on June 9, 2009, our board of directors declared a dividend of one preferred stock purchase right (a “Right”) for each outstanding (i) share of Common Stock and (ii) one-millionth of a share of the Series M preferred stock (as described below, the “Interim Securities”). The dividend was paid to holders of record of our Common Stock and Interim Securities on June 22, 2009.

Each Right will initially represent the right to purchase, for \$20.00 (the “Purchase Price”), one one-millionth of a share of Series R Cumulative Participating Preferred Stock, par value \$1.00 per share (the “Series R Preferred Stock”). The terms and conditions of the Rights are set forth in the Tax Benefits Preservation Plan.

The Rights will not be exercisable until the earlier of (i) the close of business on the 10th business day after the date (the “Stock Acquisition Date”) of the announcement that a person has become an Acquiring Person (as defined below) and (ii) the close of business on the 10th business day (or such later day as may be designated by our board of directors before any person has become an Acquiring Person (as defined below)) after the date of the commencement of a tender or exchange offer by any person which could, if consummated, result in such person becoming an Acquiring Person (as defined below). The date that the Rights become exercisable is referred to as the “Distribution Date.”

After any person has become an Acquiring Person (as defined below) (other than Rights treated as beneficially owned under certain U.S. tax rules by the Acquiring Person), each Right will generally entitle the holder to purchase for the Series R Purchase Price a number of shares of Series R Preferred Stock having a market value of twice the Series R Purchase Price.

An “Acquiring Person” means, in general, any person or group that has become a “5-percent shareholder” of Citigroup, other than (A) Citigroup or any subsidiary or employee benefit plan or compensation arrangement of Citigroup; (B) the United States government; (C) certain existing “5-percent shareholders” (including certain persons who are “5-percent shareholders” following the previously announced exchange offers with Citigroup) so long as each such shareholder does not acquire more than a specified number of additional shares of Citigroup’s stock; (D) certain other “grandfathered persons” (as described in the Tax Benefits Preservation Plan), so long as such “grandfathered persons” satisfy the applicable requirements in the Tax Benefits Preservation Plan; (E) any person or group that our board of directors determines, in its sole discretion, has inadvertently become a “5-percent shareholder” (or inadvertently failed to continue to qualify as a “grandfathered person”), so long as such person or group promptly divests sufficient shares so as to no longer own 5% of Citigroup’s stock; (F) any person or group that has become a “5-percent shareholder” (or failed to qualify as a “grandfathered person”) solely as a result of certain “in-kind distributions,” so long as such person or group satisfies the applicable requirements set forth in the Tax Benefits Preservation Plan; (G) any person or group that our board of directors determines, in its sole discretion, has not jeopardized or endangered Citigroup’s utilization of its Tax Benefits, so long as each such shareholder does not acquire any additional shares of Citigroup’s stock and so long as our board of directors does not, in its sole discretion, make a contrary determination; and (H) any person that acquires at least a majority of our Common Stock (and, for so long as the Interim Securities remain outstanding, at least a majority of the Interim Securities) in connection with an offer to acquire 100% of Common Stock then outstanding (and, for so long as the Interim Securities remain outstanding, 100% of the Interim Securities).

At any time after any person has become an Acquiring Person (but before any person becomes the beneficial owner of 50% or more of the outstanding shares of our Common Stock), our board of directors may generally exchange all or part of the Rights (other than Rights beneficially owned under certain U.S. tax rules by an Acquiring Person) for shares of Series R Preferred Stock at an exchange ratio of one one-millionth of a share of Series R Preferred Stock per Right.

The issuance of the Rights is not taxable to holders of Common Stock or Interim Securities for U.S. federal income tax purposes.

Upon conversion of the Interim Securities into Common Stock, any Rights associated with such Interim Securities will be extinguished and the Common Stock issued upon such conversion will be issued with Rights attached thereto.

Our board of directors may redeem all of the Rights at a price of \$0.00001 per Right at any time before a Distribution Date.

Prior to the Distribution Date, the Rights will be evidenced by the certificates for (or current ownership statements issued with respect to uncertificated shares in lieu of certificates for) and will be transferred with, our Common Stock and Interim Securities, and the registered holders of our Common Stock and Interim Securities will be deemed to be the registered holders of the Rights. After the Distribution Date, the rights agent will mail separate certificates evidencing the Rights to each record holder of Common Stock and Interim Securities as of the close of business on the Distribution Date, and thereafter the Rights will be transferable separately from Common Stock and Interim Securities. The Rights will expire on June 10, 2012, unless earlier exchanged or redeemed.

At any time prior to the Distribution Date, the Tax Benefits Preservation Plan may be amended in any respect. At any time after the occurrence of a Distribution Date, the Tax Benefits Preservation Plan may be amended in any respect that does not adversely affect Rights holders (other than any Acquiring Person).

A Rights holder has no rights as a stockholder of Citigroup, including the right to vote and to receive dividends.

The Tax Benefits Preservation Plan includes antidilution provisions designed to maintain the effectiveness of the Rights.

Terms of the Public Preferred Depositary Exchange Offers

Generally

We are offering to issue shares of our Common Stock in exchange for any and all issued and outstanding Public Preferred Depositary Shares, validly tendered and not validly withdrawn, on or prior to the expiration date, upon the terms and subject to the conditions set forth in this document and in the applicable letter of transmittal (including, if any Public Preferred Depositary Exchange Offer is extended or amended, the terms and conditions of any such extension or amendment). You may exchange any or all of your Public Preferred Depositary Shares in any Public Preferred Depositary Exchange Offer only in amounts equal to authorized denominations of such Public Preferred Depositary Shares. All Public Preferred Depositary Shares accepted for exchange in the Public Preferred Depositary Exchange Offers will be retired by the board of directors and restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Offer Consideration

With respect to each outstanding Public Preferred Depositary Share, we are offering a number of shares of Common Stock equal to (a) the product of (i) the liquidation preference per Public Preferred Depositary Share and (ii) the applicable exchange factor, divided by (b) \$3.25, the price at which we are valuing the Common Stock to be issued in the Exchange Offers. No payment will be made in respect of undeclared or “accrued” dividends on the Public Preferred Depositary Shares. Set forth below is a table that shows, with respect to each series of Public Preferred Depositary Shares, the aggregate liquidation preference outstanding, the liquidation preference per Public Preferred Depositary Share, the exchange factor and the number of shares of Common Stock that we are offering to issue in exchange for each Public Preferred Depositary Share. We are not offering any consideration with respect to undeclared or “accrued” dividends on Public Preferred Depositary Shares tendered and accepted for exchange in the Exchange Offers.

| CUSIP | Title of Securities Represented by Public Preferred Depositary Shares | Aggregate Liquidation Preference Outstanding | Liquidation Preference Per Preferred Depositary Share | Exchange Factor (as a percentage of Liquidation Preference) | Number of Shares of Common Stock Offered Per Public Preferred Depositary Share ⁽¹⁾ |
|-----------|--|--|---|---|---|
| 172967556 | 8.500% Non-Cumulative Preferred Stock, Series F | \$2,040,000,000 | \$ 25 | 95% | 7.30769 |
| 172967ER8 | 8.400% Fixed Rate/Floating Rate Non-Cumulative Preferred Stock, Series E | \$6,000,000,000 | \$1,000 | 95% | 292.30769 ⁽²⁾ |
| 172967572 | 8.125% Non-Cumulative Preferred Stock, Series AA | \$3,715,000,000 | \$ 25 | 95% | 7.30769 |
| 172967598 | 6.500% Non-Cumulative Convertible Preferred Stock, Series T | \$3,168,650,000 | \$ 50 | 85% | 13.0769 |

⁽¹⁾ Number of Shares of Common Stock offered per Public Preferred Depositary Share calculated by multiplying (a) the liquidation preference per Public Preferred Depositary Share by (b) the Exchange Factor, and dividing this amount by \$3.25, the price at which Citigroup is valuing the Common Stock to be issued in the Exchange Offers.

⁽²⁾ Number of shares of Common Stock offered per \$1,000 liquidation preference.

Each Public Preferred Depositary Exchange Offer Constitutes a Separate Offer

The Public Preferred Depositary Exchange Offers consist of four separate exchange offers, one with respect to each series of Public Preferred Depositary Shares. Each of the Public Preferred Depositary Exchange Offers is subject to terms and conditions that must be satisfied with respect to such Public Preferred Depositary Exchange Offer, and we may accept, extend, amend or terminate any Public Preferred Depositary Exchange Offer independent of each other Public Preferred Depositary Exchange Offer. None of the Exchange Offers is subject to any minimum tender condition or to completion of any other Exchange Offer. See “Conditions of the Exchange Offers” below.

Each Public Preferred Depositary Exchange Offer is for any and all Public Preferred Depositary Shares of the relevant series of Public Preferred Depositary Shares and therefore will not be assigned an Acceptance Priority Level or be subject to prorationing.

Terms of the Trust Preferred Exchange Offer

Generally

Concurrently with the Public Preferred Depositary Exchange Offers, we are also offering to issue shares of our Common Stock in exchange for a number of issued and outstanding Trust Preferred Securities with an aggregate liquidation amount equal to \$20.5 billion, less the aggregate liquidation preference of all Public Preferred Depositary Shares accepted for exchange in the Public Preferred Depositary Exchange Offers. We refer to this amount as the “Remaining Amount.” The Remaining Amount will be not less than approximately \$5.6 billion and will be higher in the event that less than all of the \$14.92 billion aggregate liquidation preference of Public Preferred Depositary Shares is tendered and accepted for exchange in the Public Preferred Depositary Exchange Offers. You may exchange any or all of your Trust Preferred Securities in the Trust Preferred Exchange Offer only in amounts equal to authorized denominations of such Trust Preferred Securities. The maximum number of shares of Common Stock that could be issued in the Exchange Offers is 5,992,307,693.

The Remaining Amount cannot be calculated until all of the Public Preferred Depositary Exchange Offers have been completed. As a result, you will not know the Remaining Amount, or whether we will accept your Trust Preferred Securities for exchange if you tender Trust Preferred Securities within Acceptance Priority Levels 4-14, at the time that you tender your Trust Preferred Securities. In any event, the Remaining Amount will be such that Citigroup is offering to exchange any and all issued and outstanding 8.300% E-TRU^{PS}®, 7.875% E-TRU^{PS}® and 7.250% E-TRU^{PS}®, comprising Acceptance Priority Levels 1, 2 and 3, without prorationing. In the event that less than approximately \$4.87 billion in aggregate liquidation preference of Public Preferred Depositary Shares are accepted for exchange, Citigroup will be able to accept for exchange any and all validly tendered Trust Preferred Securities in the Trust Preferred Exchange Offer. We currently intend that any Trust Preferred Securities accepted for exchange will be delivered to the trustee of the relevant Trust for cancellation.

The maximum amount of Trust Preferred Securities that could be exchanged pursuant to the Trust Preferred Exchange Offer is approximately \$15.63 billion in aggregate liquidation amount, assuming less than \$4.87 billion aggregate liquidation preference of Public Preferred Depositary Shares are validly tendered and accepted for exchange in the Public Preferred Depositary Exchange Offers. The minimum amount of Trust Preferred Securities that we are offering to accept for exchange pursuant to the Trust Preferred Exchange Offer is approximately \$5.6 billion in aggregate liquidation amount, assuming the Public Preferred Depositary Exchange Offers are fully subscribed.

Upon the terms and subject to the conditions set forth in this document and in the applicable letter of transmittal (including, if the Trust Preferred Exchange Offer is extended or amended, the terms and conditions of any such extension or amendment), we will accept for exchange all Trust Preferred Securities within Acceptance Priority Levels 1-3 that are validly tendered and not validly withdrawn on or prior to the expiration date, and subject to the Acceptance Priority Levels and prorationing, as described below under “Acceptance Priority Levels; Prorationing” all other Trust Preferred Securities that are validly tendered and not validly withdrawn on or prior to the expiration date.

The Trust Preferred Exchange Offer consists of a single offer with respect to all series of Trust Preferred Securities. The aggregate liquidation amount of Trust Preferred Securities that will be accepted for exchange in the Trust Preferred Exchange Offer is limited to the Remaining Amount, which must be allocated among the series of Trust Preferred Securities. Therefore we have assigned each series of Trust Preferred Securities an Acceptance Priority Level. See “Acceptance Priority Levels; Prorationing” below.

Offer Consideration

With respect to each outstanding Trust Preferred Security, we are offering a number of shares of Common Stock equal to (a) the product of (i) the liquidation amount per Trust Preferred Security and (ii) the applicable exchange factor, divided by (b) \$3.25, the price at which we are valuing the Common Stock to be issued in the Exchange Offers. In the case of the 6.829% E-TRUPS®, which is denominated in U.K. pounds, U.S. dollar equivalents and the number of shares of Common Stock offered per Trust Preferred Security were derived using the U.S. dollar/U.K. pound exchange rate of \$1.4318, as reported by Bloomberg on February 27, 2009, the date we announced the Exchange Offers. You will not receive any consideration for accrued and unpaid distributions on your Trust Preferred Securities tendered in the Trust Preferred Exchange Offer.

Set forth below is a table that shows, with respect to each series of Trust Preferred Securities, the aggregate liquidation amount outstanding, the liquidation amount per Trust Preferred Security, the exchange factor and the number of shares of Common Stock that we are offering to issue in exchange for each Trust Preferred Security.

| Acceptance Priority Level | CUSIP | Title of Securities | Issuer | Aggregate Liquidation Amount Outstanding | Liquidation Amount Per Trust Preferred Security | Exchange Factor (as a percentage of Liquidation Amount) | Number of Shares of Common Stock Offered Per Trust Preferred Security ⁽¹⁾ |
|---------------------------|--------------|---------------------|-------------------------|--|---|---|--|
| 1 | 173094AA1 | 8.300% E-TRUPS® | Citigroup Capital XXI | \$3,500,000,000 | \$1,000 | 95% | 292.30769 ⁽²⁾ |
| 2 | 173085200 | 7.875% E-TRUPS® | Citigroup Capital XX | \$ 787,500,000 | \$ 25 | 95% | 7.30769 |
| 3 | 17311U200 | 7.250% E-TRUPS® | Citigroup Capital XIX | \$1,225,000,000 | \$ 25 | 95% | 7.30769 |
| 4 | 17309E200 | 6.875% E-TRUPS® | Citigroup Capital XIV | \$ 565,000,000 | \$ 25 | 95% | 7.30769 |
| 5 | 17310G202 | 6.500% E-TRUPS® | Citigroup Capital XV | \$1,185,000,000 | \$ 25 | 95% | 7.30769 |
| 6 | 17310L201 | 6.450% E-TRUPS® | Citigroup Capital XVI | \$1,600,000,000 | \$ 25 | 95% | 7.30769 |
| 7 | 17311H209 | 6.350% E-TRUPS® | Citigroup Capital XVII | \$1,100,000,000 | \$ 25 | 95% | 7.30769 |
| 8 | XS0306711473 | 6.829% E-TRUPS® | Citigroup Capital XVIII | £ 500,000,000 | £1,000 | 95% | 418.52615 ⁽²⁾⁽³⁾ |
| 9 | 17305HAA6 | 7.625% TRUPS® | Citigroup Capital III | \$ 200,000,000 | \$1,000 | 95% | 292.30769 ⁽²⁾ |
| 10 | 17306N203 | 7.125% TRUPS® | Citigroup Capital VII | \$1,150,000,000 | \$ 25 | 95% | 7.30769 |
| 11 | 17306R204 | 6.950% TRUPS® | Citigroup Capital VIII | \$1,400,000,000 | \$ 25 | 95% | 7.30769 |
| 12 | 173064205 | 6.100% TRUPS® | Citigroup Capital X | \$ 500,000,000 | \$ 25 | 95% | 7.30769 |
| 13 | 173066200 | 6.000% TRUPS® | Citigroup Capital IX | \$1,100,000,000 | \$ 25 | 95% | 7.30769 |
| 14 | 17307Q205 | 6.000% TRUPS® | Citigroup Capital XI | \$ 600,000,000 | \$ 25 | 95% | 7.30769 |

⁽¹⁾ Number of Shares of Common Stock offered per Trust Preferred Security calculated by multiplying (a) the liquidation amount per Trust Preferred Security by (b) the exchange factor, and dividing this amount by \$3.25, the price at which Citigroup is valuing the Common Stock to be issued in the Exchange Offers.

⁽²⁾ Number of shares of Common Stock offered per \$1,000 (or £1,100) liquidation amount.

⁽³⁾ U.S. dollar equivalent value and number of shares for the 6.829% E-TRUPS® calculated based on the U.S. dollar/U.K. pound exchange rate of \$1.4318, as reported by Bloomberg on February 27, 2009, the date we announced the Exchange Offers. The number of shares of Common Stock offered per £1,000 of liquidation amount is 418.52615.

Acceptance Priority Levels; Prorationing

The Remaining Amount will be not less than approximately \$5.6 billion, and will be higher in the event that less than all of the \$14.92 billion aggregate liquidation preference of Public Preferred Depository Shares is tendered and accepted for exchange in the Public Preferred Depository Exchange Offers.

We will initially accept all validly tendered Trust Preferred Securities within Acceptance Priority Levels 1 through 3. The Remaining Amount will then be reduced by the liquidation amount of the securities so accepted (the “Adjusted Remaining Amount”). If the Adjusted Remaining Amount is greater than zero, we will accept tendered Trust Preferred Securities within the next sequential Acceptance Priority Level but only in an aggregate liquidation amount that is equal to or less than the Adjusted Remaining Amount. We will continue sequentially through each Acceptance Priority Level, each time reducing the Adjusted Remaining Amount by the aggregate liquidation amount of Trust Preferred Securities accepted, until we are unable to exchange all tendered Trust Preferred Securities within an Acceptance Priority Level without exceeding the Adjusted Remaining Amount. If we are unable to accept for exchange all tendered Trust Preferred Securities within an Acceptance Priority Level,

then we will accept for exchange only a pro rata portion of the Trust Preferred Securities within that Acceptance Priority Level. We will not accept any additional Trust Preferred Securities after the Adjusted Remaining Amount equals zero.

In the event that prorationing of a series of Trust Preferred Securities is required, we will determine the final prorationing factor promptly following the expiration date and will announce the results of prorationing by press release. In applying the prorationing factor, we will multiply the amount of each tender by the prorationing factor and round the resultant amount down to the nearest authorized denomination for the applicable series of Trust Preferred Securities. You may also obtain this information from the Information Agent or the Dealer Manager after we have made the determination. In the event that any of your Trust Preferred Securities are not accepted for exchange due to its Acceptance Priority Level or prorationing, we will promptly return these Trust Preferred Securities to you.

Conditions of the Exchange Offers

Notwithstanding any other provision of any Exchange Offer, we will not be required to accept for exchange, or to issue Common Stock in respect of, any Subject Securities tendered pursuant to any Exchange Offer, and may terminate, extend or amend any Exchange Offer and may (subject to Rule 13e-4(f) and Rule 14e-1 under the Exchange Act), postpone the acceptance for exchange of, and issuance of Common Stock in respect of, any Subject Securities so tendered in any Exchange Offer, if, in our reasonable judgment, any of the following conditions exist with respect to such Exchange Offer:

- the Private Holders have not exchanged at least \$11.5 billion in aggregate liquidation preference of our preferred stock for Interim Securities and Warrants;
- the USG has not exchanged for Interim Securities and Warrants an aggregate liquidation preference of our preferred stock equal to the aggregate liquidation preference of our preferred stock exchanged for Interim Securities and Warrants by the Private Holders;
- there is any condition that has not been, or in our reasonable judgment, is not reasonably likely to be, satisfied or waived by the party entitled to the benefit of such condition, to the USG's obligation to exchange, for Interim Securities and Warrants, an aggregate liquidation preference of our preferred stock equal to the aggregate liquidation preference of Public Preferred Depositary Shares and liquidation amount of our Trust Preferred Securities to be exchanged for Common Stock in the Exchange Offers, other than those conditions that by their terms cannot be satisfied until the closing of such transfer with the USG and the acceptance for exchange of Public Preferred Depositary Shares and Trust Preferred Securities in the Exchange Offers;
- there has been any restructuring, amendment, supplement, or termination of the USG/Private Holders Transactions or of any agreement with the USG or any Private Holder, that in our reasonable judgment, could or could reasonably be expected (a) to prohibit, prevent or delay consummation of such Exchange Offer, (b) to materially impair the contemplated benefits to us of such Exchange Offer, or otherwise result in the consummation of such Exchange Offer not being, or not reasonably likely to be, in our best interest, or (c) to have a material adverse effect on the business condition (financial or otherwise), income, operations or prospects of Citigroup and its subsidiaries, taken as a whole (any of the effects described in clauses (a), (b) or (c), a "Material Adverse Effect");
- there has been instituted, threatened in writing or be pending, any action, proceeding or investigation by or before any governmental authority, including any court, governmental, regulatory or administrative branch or agency, tribunal or instrumentality (including the FRB) that challenges such Exchange Offer or otherwise relates in any manner to such Exchange Offer that, in our reasonable judgment, has had, could or could reasonably be expected to have, a Material Adverse Effect;
- there has been proposed, enacted, entered, issued, promulgated, enforced or deemed applicable by any governmental authority, including any court, governmental, regulatory or administrative branch or agency, tribunal or instrumentality (including the FRB) any order, statute, rule, regulation, judgment, injunction, stay, decree, executive order, or any change in the interpretation of any of the foregoing,

that, in our reasonable judgment, has had, could or could reasonably be expected to have, a Material Adverse Effect;

- there has been proposed, enacted, entered, issued, promulgated, enforced or deemed applicable to Citigroup, any change in United States Generally Accepted Accounting Principles that, in our reasonable judgment, has had, could or could reasonably be expected to have, a Material Adverse Effect;
- there has occurred, or is reasonably likely to occur, any material adverse effect on the business, condition (financial or otherwise), income, operations or prospects of Citigroup and its subsidiaries, taken as a whole; or
- there has occurred:
 - any general suspension of, or limitation on prices for trading in securities in the United States securities or financial markets;
 - any material adverse change in the price of our Common Stock in the United States securities or financial markets;
 - a declaration of a banking moratorium or any suspension of payments in respect to banks in the United States;
 - any limitation (whether or not mandatory) by any government or governmental, regulatory or administrative authority, agency or instrumentality, or other event that, in our reasonable judgment would, or would be reasonably likely to affect, the extension of credit by banks or other lending institutions; or
 - a commencement or significant worsening of a war or armed hostilities or other national or international calamity, including but not limited to, catastrophic terrorist attacks against the United States or its citizens.

In addition to the conditions described above, and notwithstanding any other provision of any Exchange Offer, we will not be required to accept for exchange, or to issue Common Stock in respect of, any Subject Securities tendered pursuant any Exchange Offer, and may terminate, extend or amend any Exchange Offer and may (subject to Rule 13e-4(f) and Rule 14e-1 under the Exchange Act) postpone the acceptance for exchange of, and issuance of Common Stock in respect of, any Subject Securities so tendered in any Exchange Offer unless the registration statement of which this document forms a part becomes effective and no stop order suspending the effectiveness of the registration statement and no proceedings for that purpose have been instituted or be pending, or to our knowledge, be contemplated or threatened by the SEC.

All conditions to an Exchange Offer must be satisfied or waived prior to the applicable expiration date. None of the Exchange Offers is subject to any minimum tender condition or to completion of any other Exchange Offer. None of the Exchange Offers is subject to receiving approval of any Public Preferred Stock Amendment or Common Stock Amendment.

We expressly reserve the right to amend or terminate any Exchange Offer and to reject for exchange any Subject Securities not previously accepted for exchange, upon the occurrence of any of the conditions to such Exchange Offer, as specified above. In addition, we expressly reserve the right, at any time or at various times, to waive any conditions of any Exchange Offer, in whole or in part (including the right to waive a particular condition with respect to any one or more Exchange Offers and not with respect to any others), except as to the requirement that the registration statement be declared effective, which condition we will not waive. We will give oral or written notice (with any oral notice to be promptly confirmed in writing) of any amendment, non-acceptance, termination or waiver to the Exchange Agent as promptly as practicable, followed by a timely press release.

These conditions are for our sole benefit, and we may assert them with respect to any Exchange Offer, regardless of the circumstances that may give rise to them, or waive them in whole or in part, with respect to any Exchange Offer at any time or at various times in our sole discretion, prior to our acceptance for exchange of the

relevant Subject Securities. If we fail at any time to exercise any of the foregoing rights with respect to any Exchange Offer, this failure will not constitute a waiver of such right with respect to such Exchange Offer. Each such right will be deemed an ongoing right that we may assert at any time or at various times.

Expiration Date; Extension; Termination; Amendment

Each Exchange Offer will expire at 5:00 p.m., New York City time, on July 24, 2009, unless extended or earlier terminated by us. The term “expiration date” means such date and time or, if any Exchange Offer is extended, then with respect to such Exchange Offer, the latest date and time to which such Exchange Offer is so extended. In any event, we will hold each Exchange Offer open for at least 20 business days.

We reserve the right to extend the period of time that any Exchange Offer is open, and delay acceptance for exchange of the Subject Securities tendered in such Exchange Offer, by giving oral or written notice to the Exchange Agent and by a public announcement no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. During any such extension, all Subject Securities previously tendered and not validly withdrawn in such Exchange Offer will remain subject to such Exchange Offer, subject to your right to withdraw the Subject Securities in accordance with such Exchange Offer.

If we terminate or amend any Exchange Offer, we will notify the Exchange Agent by oral or written notice and will issue a timely public announcement regarding the termination or amendment. Upon termination of any Exchange Offer for any reason, any Subject Securities previously tendered in such Exchange Offer will be promptly returned to the tendering holders.

If we make a material change in the terms of any Exchange Offer, or the information concerning such Exchange Offer, or waive a material condition of such Exchange Offer, we will promptly disseminate disclosure regarding the changes to such Exchange Offer, and extend such Exchange Offer, in each case, if required by law, so that the Exchange Offer, remains open a minimum of five business days from the date we disseminate disclosure regarding such changes.

If we make a change in the aggregate liquidation preference or liquidation amount of Subject Securities sought in any Exchange Offer, the exchange factor or the number of shares of our Common Stock being offered in any Exchange Offer, we will promptly disseminate disclosure regarding the changes and extend such Exchange Offer, in each case, if required by law, so that such Exchange Offer remains open a minimum of ten business days from the date we disseminate disclosure regarding the changes.

Fractional Shares

No fractional shares of our Common Stock will be issued in any Exchange Offer. Instead, we will aggregate and sell any fractional shares that would have been otherwise issuable and will promptly pay to you a proportional amount of the net proceeds of these sales (less customary brokerage fees, other expenses and applicable withholding taxes).

Procedures for Tendering Subject Securities

Generally

In order to receive shares of Common Stock in exchange for your Subject Securities, you must validly tender your Subject Securities, and not withdraw them, prior to the expiration date.

- If you hold your Subject Securities through a bank, broker, custodian or other nominee, in order to validly tender Subject Securities in the applicable Exchange Offer, you must follow the instructions provided by your bank, broker, custodian or other nominee with regard to the procedures for tendering your Subject Securities, in order to enable your bank, broker, custodian or other nominee to comply with the procedures described below. **Beneficial owners are urged to appropriately instruct their bank, broker, custodian or other nominee at least five business days prior to the expiration date in order to allow adequate time processing time for their instruction.**

- In order for your bank, broker, custodian or other nominee to validly tender Subject Securities in the applicable Exchange Offer, such bank, broker, custodian or other nominee must deliver to the Exchange Agent via the applicable Clearing System (as defined below) an electronic message that contains:
 - a Proxy Instruction to approve the Common Stock Amendments;
 - for tenders of Public Preferred Depositary Shares, a Voting Instruction to approve the Public Preferred Stock Amendments, or if you did not hold such Public Preferred Depositary Shares as of the close of business on the Preferred Stock Record Date, a Tender Certification to that effect;
 - your acknowledgement and agreement to, and agreement to be bound by, the terms of the applicable letter of transmittal (including the Voting Trust Agreement) and pursuant to which, you, among other things, irrevocably instructs the Exchange Agent to deliver the shares of Common Stock to be issued to you in respect of your Subject Securities to the Voting Trust; and
 - a timely confirmation of book-entry transfer of your Subject Securities into the Exchange Agent's account.

Should you have any questions as to the procedures for tendering your Subject Securities and giving the Proxy Instructions or Voting Instructions required by the applicable letter of transmittal, please call your bank, broker, custodian or other nominee; or call our Information Agent, Morrow & Co., LLC, at 800-445-0102.

We are not providing for guaranteed delivery procedures and therefore you must allow sufficient time for the necessary tender procedures to be completed during normal business hours of DTC (or, in the case of the 6.829% E-TruPS[®], Euroclear or Clearstream) prior to the expiration date. Tenders received by the Exchange Agent after the expiration date will be disregarded and of no effect.

Delivery of Subject Securities and the method of delivery of all other required documents, is at your election and risk and, except as otherwise provided in the applicable letter of transmittal, delivery will be deemed made only when actually received by the Exchange Agent. If delivery of any document is by mail, we suggest that you use properly insured, registered mail, with a return receipt requested, and that the mailing be made sufficiently in advance of the expiration date to permit delivery to the Exchange Agent prior to the expiration date.

Tenders of all U.S. dollar-denominated Subject Securities may only be made via DTC. Tenders of the 6.829% E-TRUPS[®] may only be made via Euroclear or Clearstream. We refer to each of DTC, Euroclear and Clearstream as a "Clearing System."

Tendering your Subject Securities pursuant to any of the procedures described herein, and acceptance thereof by us for exchange, will constitute a binding agreement between you and us, upon the terms and subject to the conditions of the relevant Exchange Offer. By executing the letter of transmittal (or by tendering Subject Securities through book-entry transfer), and subject to and effective upon acceptance for exchange of, and issuance of shares of Common Stock for, the Subject Securities tendered therewith, you, among other things: (i) irrevocably sell, transfer, convey and assign to or upon the order of Citigroup, all right, title and interest in and to the Subject Securities tendered thereby; (ii) waive any and all other rights with respect to such Subject Securities (including with respect to any existing or past defaults and their consequences in respect of such Subject Securities and any undeclared dividends or unpaid distributions, as applicable); and (iii) release and discharge Citigroup and its subsidiaries from any and all claims that you may have now, or may have in the future, arising out of, or related to, such Subject Securities, including any claims that you are entitled to receive additional payments with respect to such Subject Securities or to participate in any redemption or defeasance of such Subject Securities. Further, by executing the letter of transmittal (or by tendering Subject Securities through book-entry transfer), and subject to and effective upon acceptance for exchange of the Subject Securities tendered therewith, you irrevocably constitute and appoint the Exchange Agent as your true and lawful agent and attorney-in-fact with respect to any such tendered Subject Securities, with full power of substitution and resubstitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to

(a) deliver certificates representing such Subject Securities, or transfer ownership of such Subject Securities on the account books maintained by the applicable Clearing System, together, in any such case, with all accompanying evidences of transfer and authenticity, to Citigroup, (b) present such Subject Securities for transfer on the relevant security register and (c) receive all benefits or otherwise exercise all rights of beneficial ownership of such Subject Securities (except that the Exchange Agent will have no rights to, or control over, the shares of Common Stock issued in respect of such Subject Securities, except (A) as described in the letter of transmittal with respect to the Voting Trust or (B) as your agent, all in accordance with the terms of the applicable Exchange Offer).

On the settlement date, in accordance with your instructions in the letter of transmittal, we will deliver Common Stock to be issued in respect of Subject Securities to the Voting Trust for a period of one business day, in accordance with the terms of the Voting Trust Agreement.

In all cases, exchange of Subject Securities accepted for exchange in any Exchange Offer will be made only after timely receipt by the Exchange Agent or confirmation of book-entry transfer of such Subject Securities, a properly completed and duly executed letter of transmittal (or a facsimile thereof or satisfaction of the procedures of the applicable Clearing System) and any other documents required thereby.

Tender of Subject Securities Held Through DTC

DTC participants must electronically transmit their acceptance of an Exchange Offer by causing DTC to transfer their Subject Securities to the Exchange Agent in accordance with DTC's ATOP procedures for such a transfer. DTC will then send an Agent's Message to the Exchange Agent.

The term "Agent's Message" means a message transmitted by DTC, received by the Exchange Agent and forming a part of the Book-Entry Confirmation (defined below), which states that DTC has received an express acknowledgement from the DTC participant tendering Subject Securities that are the subject of such Book-Entry Confirmation that such participant has received and agrees to be bound by the terms of the Exchange Offer, as set forth in this document and the letter of transmittal and that the Company may enforce such agreement against such participant. **You should allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC on the expiration date. Tenders not received by the Exchange Agent on or prior to the expiration date will be disregarded and of no effect.**

All U.S. dollar-denominated Subject Securities must be tendered through DTC. If your Subject Securities are held through Euroclear or Clearstream, you must transmit your acceptance in accordance with the requirements of Euroclear or Clearstream in sufficient time for Euroclear and Clearstream to deliver such tenders to DTC on or prior to the applicable expiration date. You should note that Euroclear and Clearstream may require that action be taken a day or more prior to the applicable expiration date in order to cause such Subject Securities to be tendered through DTC.

Tender of 6.829% E-TRUPs[®] Through Euroclear or Clearstream

The 6.829% E-TRUPs[®] must be tendered through Euroclear or Clearstream. A tender of Trust Preferred Securities through Euroclear or Clearstream will be deemed to have occurred upon receipt by the relevant Clearing System of a valid electronic acceptance instruction in accordance with the requirements of such Clearing System. The receipt of such electronic acceptance instruction by Euroclear or Clearstream will be acknowledged in accordance with the standard practices of such Clearing System and will result in the blocking of such Trust Preferred Securities in that Clearing System. By blocking such Trust Preferred Securities in the relevant Clearing System, the holder thereof will be deemed to consent to have the relevant Clearing System provide details concerning such holder's identity to the Exchange Agent.

By participating in the Trust Preferred Exchange Offer in this manner, you will be deemed to have acknowledged that you have received this Prospectus and accompanying letter of transmittal and agree to be bound by the terms of the Trust Preferred Exchange Offer, as set forth in this document and the letter of

transmittal, including the Voting Trust Agreement and the instructions described or set forth therein, and that the Company may enforce such agreement against you.

Eligible holders must take the appropriate steps to block Trust Preferred Securities tendered through Euroclear or Clearstream so that no transfers may be effected in relation to such Trust Preferred Securities at any time after such tender in accordance with the requirements of, and the deadlines required by, the relevant Clearing System.

Signature Guarantees

Signatures on the letter of transmittal must be guaranteed by a firm that is a participant in the Security Transfer Agents Medallion Program or the Stock Exchange Medallion Program or is otherwise an “eligible guarantor institution” as that term is defined in Rule 17Ad-15 under the Exchange Act (generally a member of a registered national securities exchange, a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”) or a commercial bank or trust company having an office in the United States) (an “Eligible Institution”), unless (i) such letter of transmittal is signed by the registered holder of the Subject Securities tendered therewith and the Common Stock issued in exchange for Subject Securities is to be issued in the name of and delivered to, or if any Subject Securities not accepted for exchange are to be returned to, such holder, or (ii) such Subject Securities are tendered for the account of an Eligible Institution.

Book-Entry Transfer

The Exchange Agent, promptly after the date of this document (to the extent such arrangements have not been previously made), will establish and maintain an account with respect to the Subject Securities at the Clearing Systems, and any financial institution that is a participant in the Clearing Systems and whose name appears on a security position listing as the owner of Subject Securities may make book-entry delivery of such Subject Securities by causing the applicable Clearing System to transfer such Subject Securities into the Exchange Agent’s account in accordance with the applicable Clearing System’s procedures for such transfer. The confirmation of a book-entry transfer of Subject Securities into the Exchange Agent’s account at the applicable Clearing System as described above is referred to herein as a “Book-Entry Confirmation.” Although delivery of Subject Securities may be effected through book-entry transfer into the Exchange Agent’s account at the applicable Clearing System, an Agent’s Message or other applicable method of acknowledgement by the applicable Clearing System, and any other required documents, must, in any case, be transmitted to and received by the Exchange Agent at its address set forth on the back cover of this document on or before the expiration date. Delivery of documents to a Clearing System does not constitute delivery to the Exchange Agent.

Validity

All questions as to the form of all documents and the validity (including time of receipt) and acceptance of all tenders of Subject Securities will be determined by us, in our sole discretion, the determination of which shall be final and binding. Alternative, conditional or contingent tenders of Subject Securities will not be considered valid. We reserve the absolute right, in our sole discretion, to reject any or all tenders of Subject Securities that are not in proper form or the acceptance of which, in our opinion would be unlawful. We also reserve the right to waive any defects, irregularities or conditions of tender as to particular Subject Securities.

Any defect or irregularity in connection with tenders of Subject Securities must be cured within such time as we determine, unless waived by us. Tenders of Subject Securities shall not be deemed to have been made until all defects and irregularities have been waived by us or cured. A defective tender (which defect is not waived by us) will not constitute a valid tender of Subject Securities. None of Citigroup, the Exchange Agent, the Information Agent, the Dealer Manager or any other person will be under any duty to give notice of any defects or irregularities in the tenders of Subject Securities, or will incur any liability to holders for failure to give any such notice.

No Guaranteed Delivery

We have not provided guaranteed delivery provisions in connection with any Exchange Offer. Holders must tender their Subject Securities in accordance with the procedures set forth in this document.

Withdrawal of Tenders

You may withdraw your tender of Subject Securities at any time prior to the expiration date. In addition, if not previously returned, you may withdraw Subject Securities that you tender that are not accepted by us for exchange after the expiration of 40 business days following commencement of the applicable Exchange Offer. For a withdrawal to be effective, the Exchange Agent must receive a computer generated notice of withdrawal, transmitted by the applicable Clearing System on behalf of the holder in accordance with such Clearing System’s procedures or a written notice of withdrawal, sent by facsimile, receipt confirmed by telephone, or letter before the expiration date. Any notice of withdrawal must:

- specify the name of the person that tendered the Subject Securities to be withdrawn;
- identify the Subject Securities to be withdrawn and liquidation preference or amount of such Subject Securities;
- include a statement that the holder is withdrawing its election to exchange the Subject Securities; and
- be signed by the holder in the same manner as the original signature on the letter of transmittal by which such Subject Securities were tendered or otherwise as described above, including any required signature guarantee.

Any notice of withdrawal must specify the name and number of the account at the applicable Clearing System to be credited with the withdrawn Subject Securities or otherwise comply with such Clearing System’s procedures.

Any Subject Securities withdrawn will not have been validly tendered for purposes of any Exchange Offer. Any withdrawal of Subject Securities will also constitute a withdrawal of any Proxy Instruction or Voting Instruction that you gave with respect to such Subject Securities. Any Subject Securities that have been tendered for exchange, but which are not exchanged for any reason, will be credited to an account with the applicable Clearing System specified by the holder, as soon as practicable after withdrawal, rejection of tender or termination of the relevant Exchange Offer. Properly withdrawn Subject Securities may be re-tendered by following one of the procedures described under “Procedures for Tendering Subject Securities.”

If you wish to withdraw Subject Securities that you previously tendered through a bank, broker, custodian or other nominee, you should contact your bank, broker, custodian or other nominee for instructions on how to withdraw your Subject Securities.

Security Ownership

Except as set forth below and except that CGMI (as defined below), in the ordinary course of business, has engaged in market making transaction and has acquired temporary positions in nominal amounts of the Public Preferred Depositary Shares, in connection with the execution and facilitation of customer order, neither we, nor to the best of our knowledge, any of our executive officers, directors, affiliates or subsidiaries nor, to the best of our knowledge, any of our subsidiaries’ directors or executive officers, nor any associates or subsidiaries of any of the foregoing, (a) owns any Subject Securities or (b) has effected any transactions involving the Subject Securities during the 60 days prior to the date of this document.

| Name | Position | Amount of Beneficial Ownership | |
|----------------------|-------------------------|---|---|
| | | Title of Securities Represented by Public Preferred Depositary Shares | Number of Public Preferred Depositary Shares Beneficially Owned |
| C. Michael Armstrong | Director | Series F Preferred Stock | 27,700 |
| John M. Deutch | Director | Series F Preferred Stock | 11,000 |
| Vikram S. Pandit | Chief Executive Officer | Series F Preferred Stock | 50,000 |
| | | Series AA Preferred Stock | 50,000 |
| Brian Leach | Chief Risk Officer | Series F Preferred Stock | 30,000 |

Messrs. Pandit, Armstrong, Deutch and Leach have advised us that they intend to tender all of their Public Preferred Depositary Shares in the Public Preferred Depositary Exchange Offers. In addition, as of July 16, 2009, CGMI owns approximately 1,860 Public Preferred Depositary Shares representing Series AA Preferred Stock and approximately 2,042 Public Preferred Depositary Shares representing Series F Preferred Stock, which it has advised us it intends to dispose of in open market sales, or otherwise, prior to the expiration date.

Consequences of Failure to Exchange Subject Securities

Public Preferred Depositary Shares not exchanged in the Public Preferred Depositary Exchange Offers will remain outstanding after consummation of the Public Preferred Depositary Exchange Offers. As previously announced, after the closing of the Exchange Offers, we will suspend dividends on the Public Preferred Stock underlying the Public Preferred Depositary Shares.

We intend to delist any remaining Public Preferred Depositary Shares from trading on the New York Stock Exchange (other than the Series E Public Preferred Depositary Shares which are not listed on any securities exchange) and, to the extent permitted by law, we intend to deregister any such remaining securities and the Public Preferred Stock. The reduction in the number of shares available for trading, the suspension of dividends on the underlying Public Preferred Stock and, if approval of the Public Preferred Stock Amendments is obtained, the Public Preferred Stock Amendments may have a significant and adverse effect on the liquidity of any trading market for, and the price of, Public Preferred Depositary Shares not exchanged in the Public Preferred Depositary Exchange Offers and may result in the Public Preferred Depositary Shares being illiquid for an indefinite period of time.

The Public Preferred Depositary Exchange Offers and the approval of the Public Preferred Stock Amendments could substantially diminish the rights and value of any Public Preferred Depositary Shares that remain outstanding after completion of the Exchange Offers. The Public Preferred Stock Amendments, if approved, would result in a holder of Public Preferred Depositary Shares that remain outstanding after completion of the Exchange Offers holding a security that no longer pays dividends and has lost its preferential treatment on distributions in most circumstances, among other changes to stockholder's rights.

Trust Preferred Securities, whether or not exchanged in the Trust Preferred Exchange Offer, will remain outstanding after consummation of the Trust Preferred Exchange Offer. As previously announced, we currently expect to continue making distributions on our Trust Preferred Securities in accordance with their current terms.

We currently intend to hold any Trust Preferred Securities accepted for exchange in the Trust Preferred Exchange Offer. As a result, the number of Trust Preferred Securities of any series available for trading may be substantially reduced, and this may have a significant and adverse effect on the liquidity of any trading market for, and the price of, the Trust Preferred Securities of that series not exchanged in the Trust Preferred Exchange Offer and may result in the Trust Preferred Securities of that series being illiquid for an indefinite period of time.

If a significant number of holders of Subject Securities do not participate in the Exchange Offers, Citigroup's ability to achieve its goal of substantially increasing its TCE and Tier 1 Common may be diminished.

No Appraisal Rights

No appraisal or dissenters' rights are available to holders of Subject Securities under applicable law in connection with the Exchange Offers.

Certain Legal and Regulatory Matters

Our exchange of the Subject Securities is subject to the completion of, or satisfaction or waiver of certain conditions to closing of, the USG/Private Holders Transactions. See “The Exchange Offers—Conditions of the Exchange Offers.” The conditions to the USG/Private Holders Transactions include the accuracy of the representations and warranties of each party and the requirement to make material regulatory filings and receive material regulatory approvals in the United States and a number of other countries where we have banking or other operations. The applicability of indirect change of control rules with respect to GIC’s (as defined below) and the USG’s potential acquisitions of our Common Stock and the extent to which the approval of the relevant regulatory authorities will need to be received prior to the completion of the USG/Private Holders Transactions is being reviewed in various jurisdictions, and these requirements may, in some cases, be waived. See “The Exchange Agreements—Other.” With respect to U.S. banking regulators, the USG is not required to obtain any prior approvals and GIC has received written confirmation that the FRB will take no action under the Change in Bank Control Act or the Bank Holding Company Act, subject to certain passivity commitments.

Citigroup, GIC and the USG are working with regulators in all relevant jurisdictions in order to obtain all necessary approvals and we believe that all requisite regulatory approvals will be obtained. While there can be no assurances regarding the timing of such approvals and the regulators have not provided any formal commitments with regard to timing, many have agreed in principle to make efforts to expedite the approvals. We do not expect any of the relevant regulatory authorities to impose any material conditions upon us, the USG or the Private Holders as a condition of approval.

Accounting Treatment

We will derecognize the net carrying amount of the preferred stock, which comprises both convertible and non-convertible preferred stock (currently recorded as stockholders’ equity) tendered for Common Stock and/or new 8% trust preferred securities. The new 8% trust preferred securities will be recorded as long-term debt at their estimated fair value as of the day that the investors are legally committed to exchange their non-convertible preferred stock for the new 8% trust preferred securities.

For convertible preferred stock, based on the participation in the Exchange Offers and the USG/Private Holders Transactions, we will recognize a reduction in net income available to common shareholders, retained earnings and earnings per share (“EPS”) to reflect the value for the inducement offer made to holders of convertible preferred stock to exchange their convertible preferred stock for Common Stock at terms different than those specified in the original conversion price agreements with the holders. The reduction in retained earnings will be offset by a corresponding increase in APIC with no net impact to our equity as a result of this inducement. Also, the difference between the carrying value of the existing convertible preferred stock and the par value of the Common Stock issued will result in an increase to APIC. The par value of \$0.01 per share will be recorded in Common Stock.

For non-convertible preferred stock tendered for Common Stock and the new 8% trust preferred securities in the Exchange Offers and the USG/Private Holders Transactions, the excess of the carrying amount of the preferred stock retired over the fair value of the Common Stock and the new 8% trust preferred securities issued will result in an increase to net income available to common shareholders, retained earnings and EPS. The excess of the fair value over the par value of the Common Stock issued will be recorded in APIC. The par value of \$0.01 per share will be recorded in Common Stock.

For Trust Preferred Securities exchanged for Common Stock, we will derecognize the carrying amount of those securities, which are currently recorded as long-term debt. We will record the par amount of the shares issued as Common Stock. The excess of the stock fair value over their par amount will be recorded in APIC. The excess of the carrying amount of the Trust Preferred Securities retired over the fair value of the Common Stock issued will be recorded in the current earnings of the period during which the transaction will occur.

Securities Issuable in the Exchange Offers and USG/Private Holders Transactions

The following table shows the type and aggregate number of securities that could be issued in connection with the Exchange Offers and the USG/Private Holders Transactions.

| Transaction ⁽¹⁾ | Security | Number of Securities Issuable (assuming 25% Participation in Exchange Offers) ⁽²⁾⁽⁹⁾ | Number of Securities Issuable (assuming 50% Participation in Exchange Offers) ⁽³⁾ | Number of Securities Issuable (assuming 75% Participation in Exchange Offers) ⁽⁴⁾ | Number of Securities Issuable (assuming 100% Participation in Exchange Offers) |
|---|---------------------------------|---|--|--|--|
| Exchange Offers | Common Stock | 1,464,595,052 | 2,929,190,130 | 4,396,733,846 | 5,894,810,769 |
| USG/Private Holders Transactions ⁽⁵⁾ | Common Stock | 9,269,230,769 | 10,846,153,846 | 11,538,461,538 | 11,538,461,538 |
| USG/Private Holders Transactions ⁽⁶⁾ | Interim Security ⁽⁷⁾ | 9,269 | 10,846 | 11,538 | 11,538 |
| | Common Stock ⁽⁸⁾ | 790,000,000 | 790,000,000 | 790,000,000 | 790,000,000 |

- (1) Does not account for the treatment of fractional shares under the terms of the Exchange Offers. Also assumes that all Public Preferred Depositary Shares are tendered and accepted for exchange before any Trust Preferred Securities are tendered and accepted for exchange and, at levels of participation below 75%, no Trust Preferred Securities are tendered. These assumptions are based on Citigroup's expectation that if holders of Trust Preferred Securities seek to participate in the Exchange Offers, holders of Public Preferred Depositary Shares will also seek to participate in the Exchange Offers at high levels.
- (2) Assumes pro rata participation by each series of Public Preferred Depositary Shares up to an aggregate liquidation preference of approximately \$5.125 billion (25% of the maximum \$20.5 billion liquidation preference or liquidation amount of Public Preferred Depositary Shares and Trust Preferred Securities, respectively, subject to the Exchange Offers).
- (3) Assumes pro rata participation by each series of Public Preferred Depositary Shares up to an aggregate liquidation preference of approximately \$10.25 billion (50% of the maximum \$20.5 billion liquidation preference or liquidation amount of Public Preferred Depositary Shares and Trust Preferred Securities, respectively, subject to the Exchange Offers).
- (4) Assumes 100% of the aggregate liquidation preference of each series of Public Preferred Depositary Shares (approximately \$14.92 billion) and approximately \$0.5 billion aggregate liquidation amount of Trust Preferred Securities, representing an aggregate liquidation preference or liquidation amount of approximately \$15.4 billion (75% of the maximum \$20.5 billion liquidation preference or liquidation amount of Public Preferred Depositary Shares and Trust Preferred Securities, respectively, subject to the Exchange Offers).
- (5) Assumes stockholder approval of the Authorized Share Increase.
- (6) Assumes stockholder approval of the Authorized Share Increase is not obtained and the Warrants are exercised in full.
- (7) Each Interim Security will be automatically converted into 1,000,000 shares of Common Stock upon stockholder approval of the Authorized Share Increase. Number of Interim Securities shown has been rounded to the nearest whole number of shares.
- (8) Exercise of the Warrants may be limited by the amount of authorized Common Stock available for issuance under our Certificate of Incorporation.
- (9) In the case of the 25% participation scenario:
 - the number of issued shares of Common Stock in the Exchange Offers was determined by calculating the pro rata participation rate for each series of Public Preferred Depositary Shares (which is 34.35%, calculated by dividing \$5.125 billion by \$14.92 billion, the approximate aggregate liquidation preference of Public Preferred Depositary Shares outstanding), and multiplying (i) 34.35% by (ii) the outstanding number of Public Preferred Depositary Shares in each such series by (iii) the number of shares of Common Stock issuable in respect of each Public Preferred Depositary Share in such series, resulting in the following for each series:
 - a. Series F: 34.35% x 81.6 million x 7.30769 shares of Common Stock per depositary share = approximately 205 million shares of Common Stock
 - b. Series E: 34.35% x 6 million x 292.30769 shares of Common Stock per depositary share = approximately 602 million shares of Common Stock
 - c. Series AA: 34.35% x 148.6 million x 7.30769 shares of Common Stock per depositary share = approximately 373 million shares of Common Stock
 - d. Series T: 34.35% x 63.373 million x 13.0769 shares of Common Stock per depositary share = approximately 285 million shares of Common Stock
 - the number of issued shares of Common Stock issued to the USG and Private Holders assuming stockholder approval of the Authorized Share Increase is obtained was calculated as follows: (\$12.5 billion Interim Securities for Private Holders + \$12.5 billion matching USG Interim Securities for Private Holders exchange + \$5.125 billion matching USG Interim Securities for Subject Securities exchanged in the Exchange Offers) / \$3.25 conversion price = approximately 9,269 million shares of Common Stock
 - the number of Interim Securities issued to the USG and Private Holders assuming stockholder approval of the Authorized Share Increase is not obtained equals (i) the number of shares of Common Stock issuable upon conversion of the Interim Securities, as described in the bullet above, divided by (ii) 1,000,000, the number of shares of Common Stock into which Interim Security is convertible into. The number of shares of Common Stock issuable to the USG and Private Holders assuming the stockholder approval of the Authorized Share Increase is not obtained equals 790 million, equal to the maximum number of shares issuable under the warrants if exercised.
 - A similar calculation was used for each of the other participation scenarios in the table above.

As of June 30, 2009, approximately 5.5 billion shares of Common Stock were outstanding.

Subsequent Repurchases

Following completion of any Exchange Offer, we may repurchase additional Subject Securities that remain outstanding in the open market, in privately negotiated transactions or otherwise. Future purchases of Subject Securities that remain outstanding after any Exchange Offer may be on terms that are more or less favorable than the relevant Exchange Offer. However, Exchange Act Rules 14e-5 and 13e-4 generally prohibit us and our affiliates from purchasing any Subject Securities other than pursuant to the relevant Exchange Offer until 10 business days after the expiration date, although there are some exceptions. Future repurchases, if any, will depend on many factors, including market conditions and the condition of our business.

In addition, if a sufficiently small number of Series T Public Preferred Stock remains outstanding and the Series T Public Preferred Stock becomes eligible for redemption, we may redeem outstanding Series T Public Preferred Stock.

Soliciting Dealer Fee

With respect to any tender of a series of Subject Securities, we will pay the relevant soliciting dealer a fee of 0.50% of the liquidation preference or liquidation amount accepted for exchange; provided that such fee will only be paid with respect to tenders by a beneficial owner of a series of Subject Securities having an aggregate liquidation preference or liquidation amount of \$250,000 or less (or £250,000 or less with respect to the 6.829% E-TRUPS®) (the “Soliciting Dealer Fee”). In order to be eligible to receive the Soliciting Dealer Fee, a properly completed soliciting dealer form must be delivered by the relevant soliciting dealer to the Exchange Agent prior to the expiration date. We will, in our sole discretion, determine whether a broker has satisfied the criteria for receiving a Soliciting Dealer Fee (including, without limitation, the submission of the appropriate documentation without defects or irregularities and in respect of *bona fide* tenders). Other than the foregoing, no fees or commissions have been or will be paid by us to any broker, dealer or other person, other than the Dealer Manager, the Information Agent and the Exchange Agent, in connection with the Exchange Offers.

A soliciting dealer is a retail broker designated in the soliciting dealer form and is:

- a broker or dealer in securities which is a member of any national securities exchange in the United States or of FINRA; or
- a bank or trust company located in the United States.

Soliciting dealers will include any of the organizations described above even when the activities of such organization in connection with the Exchange Offers consist solely of forwarding to clients materials relating to the Exchange Offers and tendering Subject Securities as directed by beneficial owners thereof. Each soliciting dealer will confirm that each holder of Subject Securities that it solicits has received a copy of this document and the proxy statements relating to the Amendments, or concurrently with such solicitation provide the holder with a copy of this document and such proxy statements. No soliciting dealer is required to make any recommendation to holders of Subject Securities as to whether to tender or refrain from tendering in the Exchange Offers. No assumption is made, in making payment to any soliciting dealer, that its activities in connection with the Exchange Offers included any activities other than those described in this paragraph. For all purposes noted in materials relating to the Exchange Offers, the term “solicit” shall be deemed to mean no more than “processing Subject Securities tendered” or “forwarding to customers material regarding the Exchange Offers.”

Soliciting dealers are not entitled to a Soliciting Dealer Fee with respect to Subject Securities beneficially owned by such soliciting dealer or with respect to any Subject Securities that are registered in the name of a soliciting dealer unless such Subject Securities are held by such soliciting dealer as nominee and are tendered for the beneficial owner of such Subject Securities.

Soliciting dealers should take care to ensure that proper records are kept to document their entitlement to any Soliciting Dealer Fee. We and the Exchange Agent reserve the right to require additional information at our discretion, as deemed warranted.

All of the Subject Securities other than the 8.400% Fixed Rate/Floating Rate Non-Cumulative Preferred Stock, Series E, 8.300% E-TRUPS[®], 6.829% E-TRUPS[®] and 7.625% TRUPS[®] are held at DTC as a number of securities rather than a liquidation preference or liquidation amount. Therefore, in order to assist a soliciting dealer in determining whether a beneficial owner tenders Subject Securities having an aggregate liquidation preference or liquidation amount of \$250,000 or less, the following tables show the quantity of Subject Securities that equates to a liquidation preference or liquidation amount of \$250,000 (or £250,000 with respect to the 6.829% E-TRUPS[®]).

| <u>CUSIP No.</u> | <u>Title of Securities Represented by Public Preferred Depository Shares</u> | <u>Quantity Tended</u> |
|------------------|--|------------------------|
| 172967556 | 8.500% Non-Cumulative Preferred Stock, Series F | 10,000 ⁽¹⁾ |
| 172967ER8 | 8.400% Fixed Rate/Floating Rate Non-Cumulative Preferred Stock, Series E | \$250,000 |
| 172967572 | 8.125% Non-Cumulative Preferred Stock, Series AA | 10,000 ⁽¹⁾ |
| 172967598 | 6.500% Non-Cumulative Convertible Preferred Stock, Series T | 5,000 ⁽¹⁾ |

(1) Number of Public Preferred Depository Shares.

| <u>CUSIP/ISIN No.</u> | <u>Title of Securities</u> | <u>Issuer</u> | <u>Quantity Tended</u> |
|-----------------------|-----------------------------|-------------------------|------------------------|
| 173094AA1 | 8.300% E-TRUPS [®] | Citigroup Capital XXI | \$250,000 |
| 173085200 | 7.875% E-TRUPS [®] | Citigroup Capital XX | 10,000 ⁽¹⁾ |
| 17311U200 | 7.250% E-TRUPS [®] | Citigroup Capital XIX | 10,000 ⁽¹⁾ |
| 17309E200 | 6.875% E-TRUPS [®] | Citigroup Capital XIV | 10,000 ⁽¹⁾ |
| 17310G202 | 6.500% E-TRUPS [®] | Citigroup Capital XV | 10,000 ⁽¹⁾ |
| 17310L201 | 6.450% E-TRUPS [®] | Citigroup Capital XVI | 10,000 ⁽¹⁾ |
| 17311H209 | 6.350% E-TRUPS [®] | Citigroup Capital XVII | 10,000 ⁽¹⁾ |
| XS0306711473 | 6.829% E-TRUPS [®] | Citigroup Capital XVIII | £250,000 |
| 17305HAA6 | 7.625% TRUPS [®] | Citigroup Capital III | \$250,000 |
| 17306N203 | 7.125% TRUPS [®] | Citigroup Capital VII | 10,000 ⁽¹⁾ |
| 17306R204 | 6.950% TRUPS [®] | Citigroup Capital VIII | 10,000 ⁽¹⁾ |
| 173064205 | 6.100% TRUPS [®] | Citigroup Capital X | 10,000 ⁽¹⁾ |
| 173066200 | 6.000% TRUPS [®] | Citigroup Capital IX | 10,000 ⁽¹⁾ |
| 17307Q205 | 6.000% TRUPS [®] | Citigroup Capital XI | 10,000 ⁽¹⁾ |

(1) Number of Trust Preferred Securities.

Exchange Agent

Mellon Investor Services, LLC, d/b/a BNY Mellon Shareowner Services is the Exchange Agent for the Exchange Offers. Letters of transmittal and all correspondence in connection with any Exchange Offer should be sent or delivered by each holder of Subject Securities, or a beneficial owner's bank, broker, custodian or other nominee, to the Exchange Agent at the address listed on the back cover page of this document. We will pay the Exchange Agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses.

Information Agent

Morrow & Co., LLC is the Information Agent for the Exchange Offers. Questions concerning the terms of any Exchange Offer or tender procedures and requests for additional copies of this document or the letter of transmittal should be directed to the Information Agent at the address and telephone number on the back cover

page of this document. Holders of Subject Securities may also contact their bank, broker, custodian, or other nominee concerning the Exchange Offers. We will pay the Information Agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses.

Dealer Manager

The Dealer Manager for the Exchange Offers is Citigroup Global Markets Inc. (“CGMI”). As dealer manager for the Exchange Offers, CGMI will perform services customarily provided by investment banking firms acting as dealer managers of exchange offers of a like nature, including, but not limited to, soliciting tenders of Subject Securities pursuant to the Exchange Offers and communicating generally regarding the Exchange Offers with banks, brokers, custodians, nominees and other persons, including the holders of the Subject Securities. We will pay the Dealer Manager reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses.

CGMI is an affiliate of Citigroup. Accordingly, the Exchange Offers will be conducted in compliance with the applicable requirements set forth in Rule 2720 of the NASD Conduct Rules adopted by FINRA.

Transfer Taxes

We will pay any stock transfer taxes imposed by the United States or any jurisdiction therein with respect to the exchange and transfer of any Subject Securities to us pursuant to any Exchange Offer (for the avoidance of doubt, transfer taxes do not include income or backup withholding taxes). If a transfer tax is imposed for any reason other than the exchange of Subject Securities pursuant to any Exchange Offer or by any jurisdiction outside of the United States, then the amount of any such transfer tax (whether imposed on the registered holder or any other person) will be payable by the tendering holder.

Brokerage Commissions

Holders that tender their Subject Securities to the Exchange Agent do not have to pay a brokerage fee or commission to us or the Exchange Agent. However, if a tendering holder handles the transaction through its bank, broker, custodian or other nominee, that holder may be required to pay brokerage fees or commissions to its bank, broker, custodian or other nominee.

Fees and Expenses

We will bear the expenses of soliciting tenders of the Subject Securities. The principal solicitation is being made by mail. Additional solicitation may, however, be made by e-mail, facsimile transmission, and telephone or in person by our officers and other employees and those of our affiliates and others acting on our behalf.

Fairness Opinion

We are not making a recommendation as to whether you should exchange your Subject Securities in the Exchange Offers. We have not retained, and do not intend to retain, any unaffiliated representative to act solely on behalf of the holders of the Subject Securities for purposes of negotiating the Exchange Offers or preparing a report concerning the fairness of the Exchange Offers. The value of the Common Stock to be issued in the Exchange Offers may not equal or exceed the value of the Subject Securities tendered. You must make your own independent decision regarding your participation in the Exchange Offers.

Certain Matters Relating to Non-U.S. Jurisdictions

Although Citigroup will mail this document to holders of the Subject Securities to the extent required by U.S. law, this Prospectus is not an offer to sell or exchange and it is not a solicitation of an offer to buy securities in any jurisdiction in which such offer, sale or exchange is not permitted. Countries outside the United States

generally have their own legal requirements that govern securities offerings made to persons resident in those countries and often impose stringent requirements about the form and content of offers made to the general public. Citigroup has not taken any action under those non-U.S. regulations to facilitate a public offer to exchange outside the United States. Therefore, the ability of any non-U.S. person to tender Subject Securities in the Exchange Offers will depend on whether there is an exemption available under the laws of such person's home country that would permit the person to participate in the Exchange Offers without the need for Citigroup to take any action to facilitate a public offering in that country or otherwise. For example, some countries exempt transactions from the rules governing public offerings if they involve persons who meet certain eligibility requirements relating to their status as sophisticated or professional investors. Non-U.S. holders should consult their advisors in considering whether they may participate in the Exchange Offers in accordance with the laws of their home countries and, if they do participate, whether there are any restrictions or limitations on transactions in the Common Stock that may apply in their home countries. Citigroup and the Dealer Manager cannot provide any assurance about whether such limitations may exist.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), an offer to the public of any shares which are the subject of the offering contemplated by this document (the "Securities") may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any Securities may be made at any time with effect from and including the Relevant Implementation Date under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- by the Dealer Manager to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Securities shall require Citigroup or the Dealer Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable an investor to decide to purchase any Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

The Dealer Manager will represent, warrant and agree that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA") received by it in connection with the issue or sale of the Securities in circumstances in which Section 21(1) of the FSMA does not apply to Citigroup; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

THE EXCHANGE AGREEMENTS

The following is a summary of the material terms of the Private Holder Exchange Agreements (as defined below) and the USG Exchange Agreements (as defined below). It may not contain all of the information that is important to you and is qualified in its entirety by reference to such Private Holder Exchange Agreements and USG Exchange Agreements.

Private Holder Exchange Agreements

Each of the Private Holders has entered into an exchange agreement (a “Private Holder Exchange Agreement”) with Citigroup pursuant to which it will, together with the other Private Holders and the USG, exchange \$25 billion of preferred stock for newly issued securities of Citigroup. Specifically, pursuant to the Private Holder Exchange Agreements, subject to the terms and conditions contained therein, in exchange for each Private Holder delivering and surrendering to Citigroup their respective shares of preferred stock, Citigroup agrees to issue and deliver to each respective Private Holder a certain number of Interim Securities and a Warrant to purchase a number of shares of Common Stock (the “Private Holders Transactions”). The maximum number of shares of Common Stock issuable to the Private Holders upon exercise of the Warrants is 395,000,000 shares.

Conditions to Completion of the Private Holders Transactions

The respective obligations of Citigroup and the Private Holders to consummate the Private Holders Transactions are subject to the satisfaction or waiver by Citigroup or the Private Holders, as applicable, at or before the closing, of the following conditions subject, in the case of the Private Holders, to certain materiality exceptions:

- absence of any law, rule, order, injunction or judgment prohibiting or preventing the completion of the Private Holders Transactions; and
- the consummation or concurrent consummation of the USG Private Transaction (as defined below).

The obligation of Citigroup to consummate the Private Holders Transactions with each Private Holder is also subject to the fulfillment or waiver by Citigroup at or prior to the closing of, among others, the following conditions:

- the accuracy of the representations and warranties made by the respective Private Holder in the respective Exchange Agreement, subject to certain materiality exceptions; and
- the respective Private Holder having performed the obligations required to be performed by it at or prior to the closing.

The obligation of each Private Holder to consummate the Private Holders Transactions is also subject to the fulfillment or waiver by that Private Holder at or prior to the closing of, among others, the following conditions:

- the consummation or concurrent consummation of the Private Holders Transactions with respect to shares of preferred stock that have an aggregate liquidation preference of at least \$11.5 billion;
- the accuracy of the representations and warranties made by Citigroup in the respective Exchange Agreement, subject to certain materiality exceptions; and
- Citigroup having performed the obligations required to be performed by it at or prior to the closing.

Representations and Warranties and Covenants

The Private Holder Exchange Agreements contain representations and warranties made by Citigroup and the Private Holders, a number of which are qualified by materiality or the absence of a material adverse effect.

The Private Holder Exchange Agreements contain a number of covenants made by Citigroup and the Private Holders. The covenants include:

- *Reasonable Best Efforts.* Citigroup and the Private Holders have agreed to use their reasonable best efforts to consummate the Private Holders Transactions.
- *Exchange Listing.* Citigroup has agreed to use its reasonable best efforts to cause the Interim Securities and Common Stock underlying the Interim Securities and Warrants issued to each Private Holder to be approved for listing on the NYSE, subject to relevant listing requirements.
- *Publicity.* Citigroup and the Private Holders have agreed not to make a public announcement concerning the USG/Private Holders Transactions without the prior consent of the other party.
- *Depository Shares.* Citigroup has agreed, upon the request of any Private Holder, to enter into customary depository arrangements to allow for the Interim Securities to be issued in the form of depository shares.
- *Standstill.* Each of the Private Holders has agreed to a customary standstill provision that limits its ability to (i) directly or indirectly acquire or attempt to acquire any securities of Citigroup that would result in such Private Holder controlling a specific percentage of outstanding shares of voting stock of Citigroup and (ii) (w) make or in any way participate in any solicitation of proxies to vote, or seeking to advise or influence any person with respect to the voting of any voting securities of Citigroup or any of its subsidiaries, (x) seek to influence, advise, change or control the management, board of directors, policies, affairs or strategy of Citigroup by way of any public communication or other communication to security holders, (y) make any proposal for any acquisition of, or similar extraordinary transaction involving, Citigroup or a material portion of its securities or assets, and (z) enter into any agreements or understandings with any person (other than Citigroup) for purposes of any of the actions described in clauses (w) through (y) above. The Private Holders' obligations under the standstill will terminate on the later of (i) the third anniversary of the closing of the USG/Private Holders Transactions and (ii) the date on which such Private Holder beneficially owns less than 2% of the outstanding Common Stock of Citigroup.
- *Equivalent Terms.* Citigroup has agreed to provide each of the Private Holders the most favorable price and other material terms offered to any other Private Holder in the exchange offers with the Private Holders and has agreed that the price offered in the exchange offers with the Private Holders will be no less favorable to the Private Holders than the price offered in the Exchange Offers. Citigroup also agreed that the exchanges with the USG will be consummated on pricing terms no more favorable to the USG than those previously disclosed by Citigroup.
- *Preemptive Rights.* In the event Citigroup consummates a public or non-public offering of any Common Stock at a price less than \$3.25 (or of securities convertible or exercisable into or exchangeable for Common Stock if the conversion, exercise or exchange price per share of Common Stock is less than \$3.25) during the one year period commencing with the closing of the Private Holders Transactions, Citigroup generally has agreed to provide each of the Private Holders the right to purchase, on the same terms as in the offering, an amount of such securities that, in the aggregate, enables it to maintain its percentage ownership interest (assuming the conversion, exercise or exchange of all convertible, exercisable or exchangeable securities it owns) in Citigroup, subject to certain terms and conditions.
- *Reorganization Treatment.* Citigroup and each of the Private Holders have agreed to treat the USG/Private Holders Transactions as a "reorganization" for U.S. federal income tax purposes.

Termination Events

If the USG/Private Holders Transactions are not consummated on or prior to September 18, 2009, the agreements will automatically terminate.

Other

One of the Private Holders with whom Citigroup entered into a Private Holder Exchange Agreement is the Government of Singapore Investment Corporation Pte Ltd (“GIC”). The GIC Exchange Agreement contains the following additional material provisions:

- GIC’s obligation to consummate the GIC Private Holder Exchange Agreement is subject to GIC’s having obtained certain required regulatory approvals, consents or exemptions required in respect to its participation in the GIC Private Holder Transaction.
- GIC has agreed that, to the extent it or certain of its affiliates own securities representing more than 9.9% of the aggregate voting power of Citigroup, it will vote or cause to be voted such excess voting power in the same proportion as all other shares are voted (other than any shares voted by the direction of GIC or any of its affiliates or the U.S. Government) and has granted Citigroup an irrevocable proxy with respect to this excess voting power.
- If at any time GIC’s beneficial ownership of Common Stock exceeds 19.9% of the total outstanding shares of Common Stock of Citigroup, GIC or certain of its affiliates is deemed to control Citigroup by any law or governmental authority, or any other applicable laws would result in the imposition of a financial support obligation or materially adverse compliance burden on GIC, then Citigroup has agreed to convert a sufficient number of securities held by GIC into non-voting participating preferred stock and take such other steps that would avoid such an imposition on GIC or certain of its affiliates.

USG Exchange Agreements

Each of the U.S. Treasury and the FDIC has entered into an exchange agreement with Citigroup (collectively, the “USG Exchange Agreements”). Pursuant to the USG Exchange Agreement with the U.S. Treasury, the U.S. Treasury will exchange an amount of its preferred stock for newly issued Warrants of Citigroup and Interim Securities to match on a “dollar-for-dollar” basis with the aggregate liquidation preference of the preferred stock exchanged by the Private Holders, who collectively hold preferred stock with an aggregate liquidation preference of approximately \$12.5 billion, in the USG/Private Holders Transactions (the “U.S. Treasury Private Transaction”).

The U.S. Treasury has also agreed to exchange an additional amount of its preferred stock for Citigroup Common Stock to match, on a “dollar-for-dollar” basis, the aggregate liquidation amount of the Subject Securities exchanged in the Exchange Offers, up to an aggregate liquidation amount of \$25 billion (including securities exchanged in the U.S. Treasury Private Transaction), at a conversion price of \$3.25 per share (the “U.S. Treasury Public Transaction”).

Additionally, the preferred stock held by the U.S. Treasury that is not exchanged in the U.S. Treasury Private Transaction or the U.S. Treasury Public Transaction, together with the preferred stock held by the FDIC, will be exchanged, contemporaneously with the closing of the U.S. Treasury Public Transaction, for trust preferred securities with a coupon of 8% maturing in 2039 and having other material terms substantially similar to Citigroup’s outstanding TRUPS® (the “USG TRUPS® Transaction”).

Following completion of the U.S. Treasury Private Transaction and the U.S. Treasury Public Transaction, and assuming approval of the Authorized Share Increase, the U.S. Treasury would own approximately 29% of our outstanding Common Stock under the “Low Participation Scenario” (as described under “Unaudited Pro Forma Financial Information”), and approximately 34% of our outstanding Common Stock under the “High Participation Scenario” (as described under “Unaudited Pro Forma Financial Information”). We expect that the Exchange Offers will be fully subscribed, in accordance with the High Participation Scenario, if the Exchange Offers are viewed favorably by the marketplace and by our stockholders. However, if the aggregate liquidation preference or amount of Subject Securities that is tendered and accepted for exchange in the Exchange Offers is equal to \$12.5 billion, and all Series T Public Preferred Depositary Shares are tendered and accepted for exchange, the U.S. Treasury could own up to approximately 37% of our outstanding Common Stock upon completion of the U.S. Treasury Private Transaction and the U.S. Treasury Public Transaction. Participation by holders of Subject Securities in amounts greater than \$12.5 billion, up to the maximum aggregate liquidation preference or amount of \$20.5 billion, would dilute the U.S. Treasury’s ownership to the 34% ownership level discussed above under the High Participation Scenario.

Conditions to Completion of the U.S. Treasury Private Transaction

The respective obligations of Citigroup and the U.S. Treasury to consummate the U.S. Treasury Private Transaction are subject to the satisfaction or waiver by Citigroup or the U.S. Treasury, as applicable, at or before the closing, of the following conditions:

- absence of any law, rule, order, injunction or judgment prohibiting or preventing the completion of the U.S. Treasury Private Transaction;
- receipt of all material approvals or authorizations of any governmental entities required for the consummation of the U.S. Treasury Private Transaction; and
- the approval of the NYSE for Citigroup to issue the Interim Securities without shareholder approval being in full force and effect.

The obligation of the U.S. Treasury to consummate the U.S. Treasury Private Transaction is also subject to the fulfillment or waiver by the U.S. Treasury at or prior to the closing of, among others, the following conditions:

- the accuracy of the representations and warranties made by Citigroup in the USG Exchange Agreement with the U.S. Treasury, subject to certain materiality exceptions;
- Citigroup having performed in all material respects all the obligations required to be performed by it at or prior to closing; and
- the consummation or concurrent consummation of the Private Holder Transactions, pursuant to which a minimum of \$11.5 billion in aggregate liquidation preference of preferred stock is exchanged.

Conditions to Completion of the U.S. Treasury Public Transaction

The respective obligations of Citigroup and the U.S. Treasury to consummate the U.S. Treasury Public Transaction are subject to the satisfaction or waiver by Citigroup or the U.S. Treasury, as applicable, at or before the closing, of the following conditions:

- absence of any law, rule, order, injunction or judgment prohibiting or preventing the completion of the U.S. Treasury Public Transaction;
- receipt of all material approvals or authorizations of any governmental entities required for the consummation of the U.S. Treasury Public Transaction; and
- the approval of the NYSE for Citigroup to issue the Interim Securities without shareholder approval being in full force and effect.

The obligation of the U.S. Treasury to consummate the U.S. Treasury Public Transaction is also subject to the fulfillment or waiver by the U.S. Treasury, at or prior to the closing of, among others, the following conditions:

- the accuracy of the representations and warranties made by Citigroup in the USG Exchange Agreement with the U.S. Treasury, subject to certain materiality exceptions;
- Citigroup having performed in all material respects all the obligations required to be performed by it at or prior to closing; and
- the consummation of the U.S. Treasury Private Transaction and the Exchange Offers.

Conditions to Completion of the USG TRUPS[®] Transaction

The respective obligations of Citigroup and the U.S. Treasury and the FDIC to consummate the USG TRUPS[®] Transaction are subject to the satisfaction or waiver by Citigroup or the U.S. Treasury or the FDIC, as applicable, at or before the closing, of the following conditions:

- absence of any law, rule, order, injunction or judgment prohibiting or preventing the completion of the USG TRUPS[®] Transactions;
- receipt of all material approvals or authorizations of any governmental entities required for the consummation of the USG TRUPS[®] Transaction; and
- the approval of the NYSE for Citigroup to issue the Interim Securities without shareholder approval being in full force and effect.

The obligation of the U.S. Treasury and the FDIC to consummate the USG TRuPS[®] Transaction is also subject to the fulfillment or waiver by the U.S. Treasury or the FDIC, as applicable, at or prior to the closing of, among others, the following conditions:

- the accuracy of the representations and warranties made by Citigroup in the applicable USG Exchange Agreement, subject to certain materiality exceptions;
- Citigroup having performed in all material respects all the obligations required to be performed by it at or prior to closing; and
- the consummation of the U.S. Treasury Private Transaction and the Exchange Offers.

In addition, the FDIC's participation in the USG TRuPS[®] Transaction is contingent upon, and is required to occur simultaneously with, the U.S. Treasury's participation in the USG TRuPS[®] Transaction.

In the event that the U.S. Treasury Public Transaction is not consummated due to Citigroup's failure to satisfy any of the applicable conditions described above, or Citigroup announces its intention not to commence, or its decision to terminate, the Exchange Offers, then, subject to the satisfaction or waiver by Citigroup or the U.S. Treasury or the FDIC, as applicable, of the mutual conditions to completion of the USG TRuPS[®] Transaction, at the request of the U.S. Treasury or the FDIC, as applicable, Citigroup and the U.S. Treasury or the FDIC, as applicable, will consummate the USG TRuPS[®] Transaction.

Representations and Warranties and Covenants

The USG Exchange Agreements contain representations and warranties made by Citigroup, a number of which are qualified by materiality or the absence of a material adverse effect.

The USG Exchange Agreements contain a number of covenants made by Citigroup and the U.S. Treasury or the FDIC, as applicable. The covenants include:

- *Conduct of Business.* Citigroup has agreed to use its reasonable best efforts to carry on its business in the ordinary course of business and maintain and preserve its and any of its subsidiaries' business and preserve its business relationships.
- *Commercially Reasonable Efforts.* Citigroup and the U.S. Treasury and the FDIC have agreed to use their commercially reasonable efforts to consummate the U.S. Treasury Private Transaction, U.S. Treasury Public Transaction and USG TRuPS[®] Transaction, as applicable.
- *Exchange Listing.* Citigroup has agreed to use its reasonable best efforts to cause the Interim Securities and Common Stock underlying the Interim Securities and Warrants issued to U.S. Treasury to be approved for listing on the NYSE, subject to relevant listing requirements.
- *Access, Information and Confidentiality.* Citigroup has agreed to provide the U.S. Treasury and the FDIC with access to corporate books and financial and accounting records until the U.S. Treasury's or the FDIC's, as applicable, ownership of Citigroup's securities falls below a specified threshold. Correspondingly, subject to certain limitations, the U.S. Treasury and the FDIC have agreed to use reasonable best efforts to hold such information confidential.
- *Anti-takeover Provisions and Tax Benefits Preservation Plan.* Citigroup has agreed to exclude the U.S. Treasury and the FDIC from any plan or other anti-takeover measure that it adopts with regard to other potential investors in Citigroup. However, subject to certain limitations, Citigroup may adopt the Tax Benefits Preservation Plan. Under the Tax Benefits Preservation Plan, all holders of Citigroup's securities will be treated in the same manner with respect to dispositions of such holder's securities.
- *Internal Controls.* Citigroup has agreed to establish internal protocols that monitor compliance with certain of Citigroup's covenants under the USG Exchange Agreements.

- *Depository Shares.* Citigroup has agreed, upon the request of the U.S. Treasury, to enter into customary depository arrangements to allow for the Interim Securities to be issued in the form of depository shares.
- *Registration Rights.* Citigroup has agreed to provide the U.S. Treasury and the FDIC with certain customary demand and “piggyback” registration rights covering the U.S. Treasury and the FDIC registrable securities.
- *Preemptive Rights.* In the event Citigroup consummates a public or non-public offering of any Common Stock at a price less than \$3.25 (or of securities convertible or exercisable into or exchangeable for Common Stock if the conversion, exercise or exchange price per share of Common Stock is less than \$3.25) during the one year period commencing with the closing of the USG Private Transaction, Citigroup generally has agreed to provide the U.S. Treasury the right to purchase, on the same terms as in the offering, an amount of such securities that, in the aggregate, enables it to maintain its percentage ownership interest (assuming the exercise or conversion of all unexercised exchangeable convertible securities it owns) in Citigroup subject to certain terms and conditions.
- *Executive Compensation.* Citigroup has agreed to (i) ensure that benefit plans comply with applicable compensation regulations; (ii) ensure that specified limitations on “golden parachute payments” are satisfied; (iii) ensure that specified limitations regarding bonus compensation payable to senior executive officers and senior leadership members are satisfied; (iv) maintain and implement lobbying and expense policies; (v) provide to Treasury an annual risk management report; and (vi) recoup payments made in contravention of executive compensation covenants to which it is subject.
- *Bank Holding Company.* Citigroup has agreed to maintain its status as a Bank Holding Company for so long as the U.S. Treasury or the FDIC, as applicable, owns any debt or equity securities of Citigroup acquired pursuant to the USG Exchange Agreements.
- *Restrictions on Dividends and Repurchases.* Subject to certain exceptions, until the date that the U.S. Treasury or the FDIC, as applicable, cease to own any debt or equity securities of Citigroup or an affiliate of Citigroup, Citigroup has agreed that, without the consent of the U.S. Treasury or the FDIC, as applicable, it will not (i) declare or pay any dividend or make any distribution on its Common Stock or (ii) redeem, purchase or acquire any shares of Common Stock or other capital stock or other equity securities of any kind of Citigroup, or any trust preferred securities issued by Citigroup or any of its affiliates.
- *Voting of Warrant Shares.* The U.S. Treasury has agreed not to exercise any voting rights with respect to the warrant shares it will beneficially own as a result of the U.S. Treasury Private Transaction.
- *Voting on Preferred Stock Amendments.* The U.S. Treasury and the FDIC have each agreed that they will vote their preferred stock and Interim Securities, as applicable, in the same proportion as all other shares of Citigroup’s preferred stock, whether such shares vote in the same class with or as a separate class from the U.S. Treasury or the FDIC preferred stock and Interim Securities, with respect to (1) an amendment to Citigroup’s charter to eliminate the requirement that dividends on outstanding shares of preferred stock be paid or declared and set apart for payment before any dividend may be paid or declared and set apart for payment on any outstanding shares of Common Stock and (2) the Authorized Preferred Stock Increase.
- *Voting of Common Stock.* The U.S. Treasury has agreed that it will vote all of its Common Stock in the same proportion as all other shares of Common Stock are voted, with respect to each matter on which holders of Common Stock are entitled to vote or consent other than with respect to the following matters: (i) the election and removal of directors, (ii) the approval of any merger, consolidation, statutory share exchange or similar transaction that requires the approval of Citigroup’s stockholders, (iii) the approval of a sale of all or substantially all of the assets or property of Citigroup, (iv) the approval of a dissolution of Citigroup, (v) the approval of any issuance of securities of Citigroup on

which holders of Citigroup's common Stock are entitled to vote and (vi) the approval of any amendment to the charter or bylaws of Citigroup on which holders of Common Stock are entitled to vote.

- *Mandatory Sale Date.* If the U.S. Treasury owns any Common Stock or warrants convertible into such Common Stock on the tenth anniversary of the closing date of the Exchange Offers, then the U.S. Treasury agrees to use reasonable efforts to transfer to non-governmental entities on an annual basis at least 20% of the aggregate number of such shares owned by the U.S. Treasury until all of such shares are transferred.

Termination Events

The USG Exchange Agreements can be terminated at any time prior to the consummation of the respective transactions contemplated thereby:

- by either the U.S. Treasury or the FDIC, as applicable, or Citigroup if any governmental entity has issued a governmental order or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated by the applicable USG Exchange Agreement and such order, decree, ruling or other action is final and nonappealable;
- by mutual written consent of the U.S. Treasury or the FDIC, as applicable, and Citigroup; or
- by either the U.S. Treasury or the FDIC, as applicable, or Citigroup if the U.S. Treasury Private Transaction has not occurred by September 18, 2009.

MARKET PRICE, DIVIDEND AND DISTRIBUTION INFORMATION

Market Price of and Dividends on the Common Stock

Our Common Stock is currently listed on the NYSE under the symbol “C.” As of June 30, 2009, we had approximately 5.5 billion shares of Common Stock outstanding, held by approximately 198,000 holders of record, and as of June 30, 2009, approximately 2.3 million beneficial owners. The following table sets forth, for the periods indicated, the high and low sales prices per share of the Common Stock as reported on Bloomberg and the cash dividends declared per share of the Common Stock.

| | Share Prices | | Cash Dividends Declared per Share |
|--|--------------|----------|-----------------------------------|
| | High | Low | |
| 2009 | | | |
| Third Quarter (through July 16, 2009) | \$ 3.21 | \$ 2.55 | \$0.00* |
| Second Quarter | 4.48 | 2.43 | 0.00* |
| First Quarter | 7.585 | 0.970 | 0.01 |
| 2008 | | | |
| Fourth Quarter ended December 31, 2008 | \$23.500 | \$ 3.050 | \$0.16 |
| Third Quarter ended September 30, 2008 | 22.530 | 12.850 | 0.32 |
| Second Quarter ended June 30, 2008 | 27.350 | 16.580 | 0.32 |
| First Quarter ended March 31, 2008 | 29.890 | 17.990 | 0.32 |
| 2007 | | | |
| Fourth Quarter ended December 31, 2007 | \$48.950 | \$28.800 | \$0.54 |
| Third Quarter ended September 30, 2007 | 52.970 | 44.660 | 0.54 |
| Second Quarter ended June 30, 2007 | 55.550 | 50.410 | 0.54 |
| First Quarter ended March 31, 2007 | 56.280 | 48.050 | 0.54 |

* Cash dividends on the Common Stock were discontinued effective April 17, 2009.

On July 16, 2009, the closing sales price of our Common Stock on the NYSE was \$3.03 per share.

Market Price of and Dividends on the Public Preferred Stock

Citigroup 8.500% Non-Cumulative Preferred Stock, Series F

Our 8.500% Non-Cumulative Preferred Stock, Series F is currently listed on the NYSE under the symbol “CPRM.” As of July 16, 2009, we had 81,600,000 depositary shares representing the 8.500% Non-Cumulative Preferred Stock, Series F outstanding, held by one holder of record. The following table sets forth, for the periods indicated, the high and low sales prices per depositary share of the 8.500% Non-Cumulative Preferred Stock, Series F as reported on Bloomberg and the cash dividends declared per depositary share of the 8.500% Non-Cumulative Preferred Stock, Series F.

| | Prices | | Cash Dividends Declared per Depositary Share |
|--|----------|----------|--|
| | High | Low | |
| 2009 | | | |
| Third Quarter (through July 16, 2009) | \$ 19.72 | \$ 16.07 | \$0.00000 |
| Second Quarter | 23.50 | 14.38 | 0.53125 |
| First Quarter | 8.860 | 2.800 | 0.53125 |
| 2008 | | | |
| Fourth Quarter ended December 31, 2008 | \$20.500 | \$ 5.500 | \$0.53125 |
| Third Quarter ended September 30, 2008 | 23.470 | 12.080 | 0.53125 |

On July 16, 2009, the closing sales price of a depositary share representing 1/1,000th of our 8.500% Non-Cumulative Preferred Stock, Series F on the NYSE was \$19.42 per depositary share.

Citigroup 8.400% Fixed Rate/Floating Rate Non-Cumulative Preferred Stock, Series E

Our 8.400% Fixed Rate/Floating Rate Non-Cumulative Preferred Stock, Series E is currently not listed on any exchange. As of July 16, 2009, we had 6,000,000 depositary shares representing the 8.400% Fixed Rate/Floating Rate Non-Cumulative Preferred Stock, Series E outstanding, held by one holder of record. The following table sets forth, for the periods indicated, the high and low sales prices per depositary share of the 8.400% Fixed Rate/Floating Rate Non-Cumulative Preferred Stock, Series E as reported on The Yield Book[®] and the cash dividends declared per \$1,000 liquidation preference of the 8.400% Fixed Rate/Floating Rate Non-Cumulative Preferred Stock, Series E.

| | Prices as a Percentage of Liquidation Preference | | Cash Dividends Declared per \$1,000 Liquidation Preference |
|--|--|---------|--|
| | High | Low | |
| 2009 | | | |
| Third Quarter (through July 16, 2009) | 74% | 62% | \$ 0.0000000 |
| Second Quarter | 90 | 61 | 42.4666667 |
| First Quarter | 70.500 | 20.000 | 0.0000000 |
| 2008 | | | |
| Fourth Quarter ended December 31, 2008 | 72.000% | 48.000% | \$42.4666667 |

On July 16, 2009, the closing sales price of a depositary share representing 1/25th of our 8.400% Fixed Rate/Floating Rate Non-Cumulative Preferred Stock, Series E on The Yield Book[®] and Citi Secondary Desk was 66% per depositary share.

Citigroup 8.125% Non-Cumulative Preferred Stock, Series AA

Our 8.125% Non-Cumulative Preferred Stock, Series AA is currently listed on the NYSE under the symbol "CPRP." As of July 16, 2009, we had 148,600,000 depositary shares representing the 8.125% Non-Cumulative Preferred Stock, Series AA outstanding, held by one holder of record. The following table sets forth, for the periods indicated, the high and low sales prices per depositary share of the 8.125% Non-Cumulative Preferred Stock, Series AA as reported on Bloomberg and the cash dividends declared per depositary share of the 8.125% Non-Cumulative Preferred Stock, Series AA.

| | Prices | | Cash Dividends Declared per Depositary Share |
|--|----------|----------|--|
| | High | Low | |
| 2009 | | | |
| Third Quarter (through July 16, 2009) | \$ 19.75 | \$ 16.06 | \$0.0000000 |
| Second Quarter | 23.35 | 14.38 | 0.5078125 |
| First Quarter | 18.580 | 3.160 | 0.5078125 |
| 2008 | | | |
| Fourth Quarter ended December 31, 2008 | \$17.900 | \$ 5.750 | \$0.5078125 |
| Third Quarter ended September 30, 2008 | 22.440 | 8.240 | 0.5078125 |
| Second Quarter ended June 30, 2008 | 25.390 | 22.050 | 0.5078125 |
| First Quarter ended March 31, 2008 | 26.500 | 20.000 | 0.1128472 |

On July 16, 2009, the closing sales price of a depositary share representing 1/1,000th of our 8.125% Non-Cumulative Preferred Stock, Series AA on the NYSE was \$19.41 per depositary share.

Citigroup 6.500% Non-Cumulative Convertible Preferred Stock, Series T

Our 6.500% Non-Cumulative Convertible Preferred Stock, Series T is currently listed on the NYSE under the symbol “CPRL.” As of July 16, 2009, we had 63,373,000 depositary shares of the 6.500% Non-Cumulative Convertible Preferred Stock, Series T outstanding, held by one holder of record. The following table sets forth, for the periods indicated, the high and low sales prices per depositary share of the 6.500% Non-Cumulative Convertible Preferred Stock, Series T as reported on Bloomberg and the cash dividends declared per depositary share of the 6.500% Non-Cumulative Convertible Preferred Stock, Series T.

| | Prices | | Cash Dividends Declared per Depositary Share |
|--|----------|----------|--|
| | High | Low | |
| 2009 | | | |
| Third Quarter (through July 16, 2009) | \$ 35.14 | \$ 28.58 | \$ 0.0000 |
| Second Quarter | 41.79 | 25.81 | 0.8125 |
| First Quarter | 33.430 | 6.300 | 0.8125 |
| 2008 | | | |
| Fourth Quarter ended December 31, 2008 | \$44.200 | \$10.280 | \$ 0.8125 |
| Third Quarter ended September 30, 2008 | 48.620 | 28.125 | 0.8125 |
| Second Quarter ended June 30, 2008 | 54.427 | 43.270 | 0.8125 |
| First Quarter ended March 31, 2008 | 59.350 | 40.890 | 0.1986111 |

On July 16, the closing sales price of a depositary share representing 1/1,000th of our 6.500% Non-Cumulative Convertible Preferred Stock, Series T on the NYSE was \$34.61 per depositary share.

Market Price of and Distributions on E-TRUPS®

8.300% Fixed Rate/Floating Rate E-TRUPS® Issued by Citigroup Capital XXI

The 8.300% Fixed Rate/Floating Rate E-TRUPS® issued by Citigroup Capital XXI is currently not listed on any exchange. As of July 16, 2009 there were 3,500,000 capital securities of the 8.300% Fixed Rate/Floating Rate E-TRUPS® outstanding, held by one holder of record. The following table sets forth, for the periods indicated, the high and low sales prices per capital security as reported on Trade Reporting and Compliance Engine™ (TRACE™) and the cash distributions per \$1,000 liquidation amount of the 8.300% Fixed Rate/Floating Rate E-TRUPS®.

| | Prices as a Percentage of Liquidation Preference | | Cash Distributions per \$1,000 Liquidation Amount |
|--|--|----------|---|
| | High | Low | |
| 2009 | | | |
| Third Quarter (through July 16, 2009) | 79.500% | 67.750% | \$ 0.0000 |
| Second Quarter | 92.000 | 45.875 | 41.5000 |
| First Quarter | 83.375 | 20.000 | 0.0000 |
| 2008 | | | |
| Fourth Quarter ended December 31, 2008 | 85.000% | 45.000% | \$ 41.50 |
| Third Quarter ended September 30, 2008 | 98.250 | 60.000 | 0.0000 |
| Second Quarter ended June 30, 2008 | 108.380 | 90.920 | 41.50 |
| First Quarter ended March 31, 2008 | 108.500 | 93.870 | 0.0000 |
| 2007 | | | |
| Fourth Quarter ended December 31, 2007 | 106.250% | 102.550% | \$ 0.0000 |

On July 16, 2009, the closing bid quotation of the 8.300% Fixed Rate/Floating Rate E-TRUPS® issued by Citigroup Capital XXI on TRACE™ was 76% per capital security.

7.875% E-TRUPS® Issued by Citigroup Capital XX

The 7.875% E-TRUPS® issued by Citigroup Capital XX is currently listed on the NYSE under the symbol “CPRG.” As of July 16, 2009, there were 31,500,000 capital securities of the 7.875% E-TRUPS® outstanding, held by one holder of record. The following table sets forth, for the periods indicated, the high and low sales prices per capital security of the 7.875% E-TRUPS® as reported on Bloomberg and the cash distributions per capital security of the 7.875% E-TRUPS®.

| | Prices | | Cash Distributions per Capital Security |
|--|----------|----------|---|
| | High | Low | |
| 2009 | | | |
| Third Quarter (through July 16, 2009) | \$ 19.75 | \$ 16.12 | \$0.492188 |
| Second Quarter | 23.25 | 9.58 | 0.492188 |
| First Quarter | 20.000 | 4.370 | 0.492188 |
| 2008 | | | |
| Fourth Quarter ended December 31, 2008 | \$22.000 | \$ 8.820 | \$0.492188 |
| Third Quarter ended September 30, 2008 | 24.500 | 12.310 | 0.492188 |
| Second Quarter ended June 30, 2008 | 26.000 | 23.560 | 0.492188 |
| First Quarter ended March 31, 2008 | 28.940 | 17.500 | 0.590625 |
| 2007 | | | |
| Fourth Quarter ended December 31, 2007 | \$25.900 | \$22.350 | \$0.000000 |

On July 16, 2009, the closing sales price of the 7.875% E-TRUPS® issued by Citigroup Capital XX on the NYSE was \$19.31 per capital security.

7.250% E-TRUPS® Issued by Citigroup Capital XIX

The 7.250% E-TRUPS® issued by Citigroup Capital XIX is currently listed on the NYSE under the symbol “CPRF.” As of July 16, 2009, there were 49,000,000 capital securities of the 7.250% E-TRUPS® outstanding, held by one holder of record. The following table sets forth, for the periods indicated, the high and low sales prices per capital security of the 7.250% E-TRUPS® as reported on Bloomberg and the cash distributions per capital security of the 7.250% E-TRUPS®.

| | Prices | | Cash Distributions per Capital Security |
|--|----------|----------|---|
| | High | Low | |
| 2009 | | | |
| Third Quarter (through July 16, 2009) | \$ 19.60 | \$ 16.03 | \$0.431250 |
| Second Quarter | 23.17 | 7.76 | 0.431250 |
| First Quarter | 18.030 | 4.010 | 0.453125 |
| 2008 | | | |
| Fourth Quarter ended December 31, 2008 | \$18.100 | \$ 7.900 | \$0.453125 |
| Third Quarter ended September 30, 2008 | 22.530 | 11.000 | 0.453125 |
| Second Quarter ended June 30, 2008 | 24.500 | 21.040 | 0.453125 |
| First Quarter ended March 31, 2008 | 25.420 | 21.460 | 0.453125 |
| 2007 | | | |
| Fourth Quarter ended December 31, 2007 | \$26.000 | \$21.600 | \$0.604167 |
| Third Quarter ended September 30, 2007 | 26.190 | 23.750 | 0.000000 |

On July 16, 2009, the closing sales price of the 7.250% E-TRUPS® issued by Citigroup Capital XIX on the NYSE was \$19.33 per share.

6.829% Fixed Rate/Floating Rate E-TRUPS® Issued by Citigroup Capital XVIII

The 6.829% Fixed Rate/Floating Rate E-TRUPS® issued by Citigroup Capital XVIII is currently listed on the NYSE under the symbol “C/67BP.” As of July 16, 2009, there were £500,000,000 aggregate liquidation amount of the 6.829% Fixed Rate/Floating Rate E-TRUPS® outstanding. The following table sets forth, for the periods indicated, the high and low sales prices per capital security of the 6.829% Fixed Rate/Floating Rate E-TRUPS® as reported on Bloomberg and the cash distributions per £1,000 liquidation amount of the 6.829% Fixed Rate/Floating Rate E-TRUPS®.

| | Prices as a Percentage of Liquidation Preference | | Cash Distributions per £1,000 Liquidation Amount |
|--|--|---------|--|
| | High | Low | |
| 2009 | | | |
| Third Quarter (through July 16, 2009) | 51.643% | 49.930% | £0.0000 |
| Second Quarter | 52.599 | 20.500 | 34.145 |
| First Quarter | 51.968 | 17.500 | 0.0000 |
| 2008 | | | |
| Fourth Quarter ended December 31, 2008 | 71.931% | 51.787% | £34.145 |
| Third Quarter ended September 30, 2008 | 86.069 | 72.080 | 0.0000 |
| Second Quarter ended June 30, 2008 | 88.970 | 80.814 | 34.145 |
| First Quarter ended March 31, 2008 | 97.990 | 79.730 | 0.0000 |
| 2007 | | | |
| Fourth Quarter ended December 31, 2007 | 99.975% | 93.500% | £34.145 |
| Third Quarter ended September 30, 2007 | 101.256 | 94.811 | 0.0000 |
| Second Quarter ended June 30, 2007 | 100.274 | 100.006 | 0.0000 |

On July 16, 2009, the closing sales price of the 6.829% Fixed Rate/Floating Rate E-TRUPS® issued by Citigroup Capital XVIII on the NYSE was 49.964% per capital security.

6.350% E-TRUPS® Issued by Citigroup Capital XVII

The 6.350% E-TRUPS® issued by Citigroup Capital XVII is currently listed on the NYSE under the symbol “CPRE.” As of July 16, 2009, there were 44,000,000 capital securities of the 6.350% E-TRUPS® outstanding, held by one holder of record. The following table sets forth, for the periods indicated, the high and low sales prices per capital security of the 6.350% E-TRUPS® as reported on Bloomberg and the cash distributions per capital security of the 6.350% E-TRUPS®.

| | Prices | | Cash Distributions per Capital Security |
|--|----------|----------|---|
| | High | Low | |
| 2009 | | | |
| Third Quarter (through July 16, 2009) | \$ 16.50 | \$ 14.01 | \$0.396875 |
| Second Quarter | 16.70 | 7.15 | 0.396875 |
| First Quarter | 15.920 | 3.800 | 0.396875 |
| 2008 | | | |
| Fourth Quarter ended December 31, 2008 | \$15.800 | \$ 7.050 | \$0.396875 |
| Third Quarter ended September 30, 2008 | 19.190 | 9.300 | 0.396875 |
| Second Quarter ended June 30, 2008 | 21.610 | 17.670 | 0.396875 |
| First Quarter ended March 31, 2008 | 23.090 | 18.230 | 0.396875 |
| 2007 | | | |
| Fourth Quarter ended December 31, 2007 | \$23.550 | \$18.550 | \$0.396875 |
| Third Quarter ended September 30, 2007 | 25.100 | 20.000 | 0.396875 |
| Second Quarter ended June 30, 2007 | 25.200 | 23.240 | 0.436563 |
| First Quarter ended March 31, 2007 | N/A | N/A | 0.0000 |

On July 16, 2009, the closing sales price of the 6.350% E-TRUPS® issued by Citigroup Capital XVII on the NYSE was \$15.43 per capital security.

6.450% E-TRUPS[®] Issued by Citigroup Capital XVI

The 6.450% E-TRUPS[®] issued by Citigroup Capital XVI is currently listed on the NYSE under the symbol “CPRW.” As of July 16, 2009, there were 64,000,000 capital securities of the 6.450% E-TRUPS[®] outstanding, held by one holder of record. The following table sets forth, for the periods indicated, the high and low sales prices per capital security of the 6.450% E-TRUPS[®] as reported on Bloomberg and the cash distributions per capital security of the 6.450% E-TRUPS[®].

| | Prices | | Cash Distributions per Capital Security |
|--|----------|----------|---|
| | High | Low | |
| 2009 | | | |
| Third Quarter (through July 16, 2009) | \$ 17.58 | \$ 14.47 | \$0.403125 |
| Second Quarter | 17.89 | 6.88 | 0.403125 |
| First Quarter | 16.480 | 3.990 | 0.403125 |
| 2008 | | | |
| Fourth Quarter ended December 31, 2008 | \$16.420 | \$ 5.000 | \$0.403125 |
| Third Quarter ended September 30, 2008 | 19.590 | 9.500 | 0.403125 |
| Second Quarter ended June 30, 2008 | 22.150 | 18.180 | 0.403125 |
| First Quarter ended March 31, 2008 | 24.000 | 18.950 | 0.403125 |
| 2007 | | | |
| Fourth Quarter ended December 31, 2007 | \$24.000 | \$17.870 | \$0.403125 |
| Third Quarter ended September 30, 2007 | 24.660 | 20.150 | 0.403125 |
| Second Quarter ended June 30, 2007 | 25.500 | 24.000 | 0.403125 |
| First Quarter ended March 31, 2007 | 25.500 | 24.890 | 0.403125 |

On July 16, 2009, the closing sales price of the 6.450% E-TRUPS[®] issued by Citigroup Capital XVI on the NYSE was \$16.65 per capital security.

6.500% E-TRUPS[®] Issued by Citigroup Capital XV

The 6.500% E-TRUPS[®] issued by Citigroup Capital XV is currently listed on the NYSE under the symbol “CPRU.” As of July 16, 2009, there were 47,400,000 capital securities of the 6.500% E-TRUPS[®] outstanding, held by one holder of record. The following table sets forth, for the periods indicated, the high and low sales prices per capital security of the 6.500% E-TRUPS[®] as reported on Bloomberg and the cash distributions per capital security of the 6.500% E-TRUPS[®].

| | Prices | | Cash Distributions per Capital Security |
|--|----------|----------|---|
| | High | Low | |
| 2009 | | | |
| Third Quarter (through July 16, 2009) | \$ 18.90 | \$ 15.05 | \$0.40625 |
| Second Quarter | 18.86 | 7.35 | 0.40625 |
| First Quarter | 16.220 | 3.970 | 0.40625 |
| 2008 | | | |
| Fourth Quarter ended December 31, 2008 | \$16.200 | \$ 7.500 | \$0.40625 |
| Third Quarter ended September 30, 2008 | 20.270 | 9.330 | 0.40625 |
| Second Quarter ended June 30, 2008 | 22.550 | 18.360 | 0.40625 |
| First Quarter ended March 31, 2008 | 23.800 | 19.300 | 0.40625 |
| 2007 | | | |
| Fourth Quarter ended December 31, 2007 | \$24.500 | \$19.190 | \$0.40625 |
| Third Quarter ended September 30, 2007 | 24.880 | 21.060 | 0.40625 |
| Second Quarter ended June 30, 2007 | 25.600 | 23.960 | 0.40625 |
| First Quarter ended March 31, 2007 | 25.750 | 24.740 | 0.40625 |

On July 16, 2009, the closing sales price of the 6.500% E-TRUPS[®] issued by Citigroup Capital XV on the NYSE was \$18.673 per capital security.

6.875% E-TRUPS® Issued by Citigroup Capital XIV

The 6.875% E-TRUPS® issued by Citigroup Capital XIV is currently listed on the NYSE under the symbol “CPRO.” As of July 16, 2009, there were 22,600,000 capital securities of the 6.875% E-TRUPS® outstanding, held by one holder of record. The following table sets forth, for the periods indicated, the high and low sales prices per capital security of the 6.875% E-TRUPS® as reported on Bloomberg and the cash distributions per capital security of the 6.875% E-TRUPS®.

| | Prices | | Cash Distributions per Capital Security |
|--|----------|----------|--|
| | High | Low | |
| 2009 | | | |
| Third Quarter (through July 16, 2009) | \$ 19.85 | \$ 15.61 | \$0.429688 |
| Second Quarter | 21.45 | 7.96 | 0.429688 |
| First Quarter | 17.040 | 2.600 | 0.429688 |
| 2008 | | | |
| Fourth Quarter ended December 31, 2008 | \$18.120 | \$ 6.770 | \$0.429688 |
| Third Quarter ended September 30, 2008 | 20.990 | 9.050 | 0.429688 |
| Second Quarter ended June 30, 2008 | 23.500 | 19.750 | 0.429688 |
| First Quarter ended March 31, 2008 | 25.060 | 20.200 | 0.429688 |
| 2007 | | | |
| Fourth Quarter ended December 31, 2007 | \$25.290 | \$18.700 | \$0.429688 |
| Third Quarter ended September 30, 2007 | 25.750 | 22.500 | 0.429688 |
| Second Quarter ended June 30, 2007 | 26.230 | 25.260 | 0.429688 |
| First Quarter ended March 31, 2007 | 26.350 | 25.820 | 0.429688 |

On July 16, 2009, the closing sales price of the 6.875% E-TRUPS® issued by Citigroup Capital XIV on the NYSE was \$19.40 per capital security.

Market Price of and Distributions on TRUPS®

6.000% TRUPS® Issued by Citigroup Capital XI

The 6.000% TRUPS® issued by Citigroup Capital XI is currently listed on the NYSE under the symbol “CPRQ.” As of July 16, 2009, there were 24,000,000 capital securities of the 6.000% TRUPS® outstanding, held by one holder of record. The following table sets forth, for the periods indicated, the high and low sales prices per capital security of the 6.000% TRUPS® as reported on Bloomberg and the cash distributions per capital security of the 6.000% TRUPS®.

| | Prices | | Cash Distributions per Capital Security |
|--|----------|----------|---|
| | High | Low | |
| 2009 | | | |
| Third Quarter (through July 16, 2009) | \$ 15.01 | \$ 12.15 | \$0.375 |
| Second Quarter | 14.64 | 6.96 | 0.375 |
| First Quarter | 16.120 | 4.400 | 0.375 |
| 2008 | | | |
| Fourth Quarter ended December 31, 2008 | \$16.000 | \$ 6.900 | \$0.375 |
| Third Quarter ended September 30, 2008 | 19.460 | 9.750 | 0.375 |
| Second Quarter ended June 30, 2008 | 21.140 | 17.150 | 0.375 |
| First Quarter ended March 31, 2008 | 22.500 | 18.420 | 0.375 |
| 2007 | | | |
| Fourth Quarter ended December 31, 2007 | \$22.830 | \$17.800 | \$0.375 |
| Third Quarter ended September 30, 2007 | 23.340 | 20.700 | 0.375 |
| Second Quarter ended June 30, 2007 | 25.000 | 22.910 | 0.375 |
| First Quarter ended March 31, 2007 | 25.140 | 24.570 | 0.375 |

On July 16, 2009, the closing sales price of the 6.000% TRUPS® issued by Citigroup Capital XI on the NYSE was \$14.05 per capital security.

6.100% TRUPS® Issued by Citigroup Capital X

The 6.100% TRUPS® issued by Citigroup Capital X is currently listed on the NYSE under the symbol “CPRR.” As of July 16, 2009, there were 20,000,000 capital securities of the 6.100% TRUPS® outstanding, held by one holder of record. The following table sets forth, for the periods indicated, the high and low sales prices per capital security of the 6.100% TRUPS® as reported on Bloomberg and the cash distributions per capital security of the 6.100% TRUPS®.

| | Prices | | Cash Distributions per Capital Security |
|--|----------|----------|---|
| | High | Low | |
| 2009 | | | |
| Third Quarter (through July 16, 2009) | \$ 14.99 | \$ 12.31 | \$0.38125 |
| Second Quarter | 15.13 | 7.29 | 0.38125 |
| First Quarter | 16.350 | 4.240 | 0.38125 |
| 2008 | | | |
| Fourth Quarter ended December 31, 2008 | \$16.250 | \$ 6.000 | \$0.38125 |
| Third Quarter ended September 30, 2008 | 18.900 | 8.430 | 0.38125 |
| Second Quarter ended June 30, 2008 | 21.000 | 17.350 | 0.38125 |
| First Quarter ended March 31, 2008 | 22.530 | 18.020 | 0.38125 |
| 2007 | | | |
| Fourth Quarter ended December 31, 2007 | \$23.280 | \$18.150 | \$0.38125 |
| Third Quarter ended September 30, 2007 | 23.850 | 20.810 | 0.38125 |
| Second Quarter ended June 30, 2007 | 25.140 | 23.000 | 0.38125 |
| First Quarter ended March 31, 2007 | 25.500 | 24.640 | 0.38125 |

On July 16, 2009, the closing sales price of the 6.100% TRUPS® issued by Citigroup Capital X on the NYSE was \$14.08 per capital security.

6.000% TRUPS® Issued by Citigroup Capital IX

The 6.000% TRUPS® issued by Citigroup Capital IX is currently listed on the NYSE under the symbol “CPRS.” As of July 16, 2009, there were 44,000,000 capital securities of the 6.000% TRUPS® outstanding, held by one holder of record. The following table sets forth, for the periods indicated, the high and low sales prices per capital security of the 6.000% TRUPS® as reported on Bloomberg and the cash distributions per capital security of the 6.000% TRUPS®.

| | Prices | | Cash Distributions per Capital Security |
|--|----------|----------|---|
| | High | Low | |
| 2009 | | | |
| Third Quarter (through July 16, 2009) | \$ 15.06 | \$ 12.06 | \$0.375 |
| Second Quarter | 14.58 | 7.58 | 0.375 |
| First Quarter | 17.340 | 4.260 | 0.375 |
| 2008 | | | |
| Fourth Quarter ended December 31, 2008 | \$16.930 | \$ 6.350 | \$0.375 |
| Third Quarter ended September 30, 2008 | 18.720 | 9.000 | 0.375 |
| Second Quarter ended June 30, 2008 | 21.200 | 17.120 | 0.375 |
| First Quarter ended March 31, 2008 | 22.500 | 18.000 | 0.375 |
| 2007 | | | |
| Fourth Quarter ended December 31, 2007 | \$23.000 | \$18.300 | \$0.375 |
| Third Quarter ended September 30, 2007 | 23.920 | 20.520 | 0.375 |
| Second Quarter ended June 30, 2007 | 24.990 | 23.010 | 0.375 |
| First Quarter ended March 31, 2007 | 24.990 | 24.330 | 0.375 |

On July 16, 2009, the closing sales price of the 6.000% TRUPS® issued by Citigroup Capital IX on the NYSE was \$14.03 per capital security.

6.950% TRUPS® Issued by Citigroup Capital VIII

The 6.950% TRUPS® issued by Citigroup Capital VIII is currently listed on the NYSE under the symbol “CPRZ.” As of July 16, 2009, there were 56,000,000 capital securities of the 6.950% TRUPS® outstanding, held by one holder of record. The following table sets forth, for the periods indicated, the high and low sales prices per capital security of the 6.950% TRUPS® as reported on Bloomberg and the cash distributions per capital security of the 6.950% TRUPS®.

| | Prices | | Cash Distributions per Capital Security |
|--|----------|----------|---|
| | High | Low | |
| 2009 | | | |
| Third Quarter (through July 16, 2009) | \$ 16.89 | \$ 14.15 | \$0.434375 |
| Second Quarter | 17.44 | 8.25 | 0.434375 |
| First Quarter | 20.340 | 4.110 | 0.434375 |
| 2008 | | | |
| Fourth Quarter ended December 31, 2008 | \$19.160 | \$ 8.100 | \$0.434375 |
| Third Quarter ended September 30, 2008 | 21.080 | 11.000 | 0.434375 |
| Second Quarter ended June 30, 2008 | 23.730 | 19.900 | 0.434375 |
| First Quarter ended March 31, 2008 | 24.490 | 18.000 | 0.434375 |
| 2007 | | | |
| Fourth Quarter ended December 31, 2007 | \$24.770 | \$20.630 | \$0.434375 |
| Third Quarter ended September 30, 2007 | 25.130 | 21.910 | 0.434375 |
| Second Quarter ended June 30, 2007 | 25.450 | 24.850 | 0.434375 |
| First Quarter ended March 31, 2007 | 25.460 | 25.030 | 0.434375 |

On July 16, 2009, the closing sales price of the 6.950% TRUPS® issued by Citigroup Capital VIII on the NYSE was \$16.26 per capital security.

7.125% TRUPS® Issued by Citigroup Capital VII

The 7.125% TRUPS® issued by Citigroup Capital VII is currently listed on the NYSE under the symbol “CPRV.” As of July 16, 2009, there were 46,000,000 capital securities of the 7.125% TRUPS® outstanding, held by one holder of record. The following table sets forth, for the periods indicated, the high and low sales prices per capital security of the 7.125% TRUPS® as reported on Bloomberg and the cash distributions per capital security of the 7.125% TRUPS®.

| | Prices | | Cash Distributions per Capital Security |
|--|----------|----------|---|
| | High | Low | |
| 2009 | | | |
| Third Quarter (through July 16, 2009) | \$ 17.15 | \$ 14.35 | \$0.44531 |
| Second Quarter | 18.00 | 7.73 | 0.44531 |
| First Quarter | 18.940 | 4.460 | 0.44531 |
| 2008 | | | |
| Fourth Quarter ended December 31, 2008 | \$19.000 | \$ 7.630 | \$0.44531 |
| Third Quarter ended September 30, 2008 | 21.990 | 11.000 | 0.44531 |
| Second Quarter ended June 30, 2008 | 24.430 | 20.680 | 0.44531 |
| First Quarter ended March 31, 2008 | 25.500 | 20.000 | 0.44531 |
| 2007 | | | |
| Fourth Quarter ended December 31, 2007 | \$25.140 | \$21.100 | \$0.44531 |
| Third Quarter ended September 30, 2007 | 25.360 | 23.010 | 0.44531 |
| Second Quarter ended June 30, 2007 | 25.510 | 25.060 | 0.44531 |
| First Quarter ended March 31, 2007 | 25.520 | 25.020 | 0.44531 |

On July 16, 2009, the closing sales price of the 7.125% TRUPS® issued by Citigroup Capital VII on the NYSE was \$16.48 per capital security.

7.625% TRUPS® Issued by Citigroup Capital III

The 7.625% TRUPS® issued by Citigroup Capital III is currently listed on the NYSE under the symbol “C/36Y.” As of July 16, 2009, there were \$200,000,000 aggregate liquidation amount of the 7.625% TRUPS® outstanding, held by one holder of record. The following table sets forth, for the periods indicated, the high and low sales prices per preferred security of the 7.625% TRUPS® as reported on Bloomberg and the cash distributions per \$1,000 liquidation amount of the 7.625% TRUPS®.

| | Prices as a Percentage of Liquidation Preference | | Cash Distributions per \$1,000 Liquidation Amount |
|--|--|---------|---|
| | High | Low | |
| 2009 | | | |
| Third Quarter (through July 16, 2009) | 65.000% | 48.200% | \$0.0000 |
| Second Quarter | 65.125 | 40.000 | 38.125 |
| First Quarter | 65.000 | 30.000 | 0.0000 |
| 2008 | | | |
| Fourth Quarter ended December 31, 2008 | 81.000% | 74.250% | \$38.125 |
| Third Quarter ended September 30, 2008 | 93.714 | 72.000 | 0.0000 |
| Second Quarter ended June 30, 2008 | 103.25 | 88.300 | 38.125 |
| First Quarter ended March 31, 2008 | 110.250 | 94.250 | 0.0000 |
| 2007 | | | |
| Fourth Quarter ended December 31, 2007 | 119.650% | 95.813% | \$38.125 |
| Third Quarter ended September 30, 2007 | 117.390 | 104.625 | 0.0000 |
| Second Quarter ended June 30, 2007 | 122.123 | 113.646 | 38.125 |
| First Quarter ended March 31, 2007 | 128.827 | 116.000 | 0.0000 |

On July 16, 2009, the closing sales price of the 7.625% TRUPS® issued by Citigroup Capital III from Citi Secondary Desk was 57.5% per preferred security.

COMPARISON OF RIGHTS BETWEEN THE SUBJECT SECURITIES AND THE COMMON STOCK

The following briefly summarizes the material differences between the rights of holders of the Subject Securities as currently in effect (prior to adoption of the Public Preferred Stock Amendments which would affect holders of the Public Preferred Depositary Shares) and of holders of the Common Stock to be issued in the Exchange Offers. The discussion below is a summary and is qualified in its entirety by reference to our Certificate of Incorporation, including the Certificates of Designation, the amended and restated declaration of trust of each Citigroup Capital Trust (the “Declarations of Trust”) and the indentures governing the related underlying series of junior subordinated debt (the “Indentures”) our amended and restated bylaws (the “Bylaws”) and other documents referred to herein. We urge you to read these documents for a more complete understanding of the differences between the Subject Securities and the Common Stock.

Governing Documents

Public Preferred Depositary Shares: Holders of Public Preferred Depositary Shares have their rights set forth in our Certificate of Incorporation, including the applicable Certificate of Designation, the Bylaws and Delaware law. Certain provisions of the Certificate of Incorporation and the Certificates of Designation would be amended by the Public Preferred Stock Amendments, see “Summary—The Amendments” and the Preferred Proxy Statement.

Trust Preferred Securities: Holders of Trust Preferred Securities have their rights set forth in the applicable Declaration of Trust, Indenture, the Statutory Trust Act of the State of Delaware and the Trust Indenture Act.

Common Stock: Holders of shares of our Common Stock will have their rights set forth in the Certificate of Incorporation, the Bylaws and Delaware law.

Dividends and Distributions

Public Preferred Depositary Shares: The Public Preferred Depositary Shares rank senior to the Common Stock and any other stock that is expressly junior to the Public Preferred Stock as to payment of dividends. Dividends on shares of the Public Preferred Depositary Shares are not mandatory and are not cumulative. Holders of Public Preferred Depositary Shares are entitled to receive dividends, when, as, and if declared by our board of directors, out of assets legally available under Delaware law for payment, payable either quarterly or semi-annually, depending on the series of Public Preferred Depositary Shares. On April 17, 2009, we announced that we intend to continue to pay full dividends on our preferred stock, including the Public Preferred Depositary Shares, through and until the closing of the Exchange Offers, at which point these dividends will be suspended.

We must pay, or declare and set apart for payment, dividends on each series of Public Preferred Depositary Shares before we may pay dividends or make any distributions relating to, or redeem, purchase, acquire or make a liquidation payment relating to, any of Citigroup’s junior stock, including the Common Stock, subject to certain exceptions.

Trust Preferred Securities: Holders of the Trust Preferred Securities are entitled to receive cumulative distributions at a fixed annual percentage rate, payable either quarterly or semi-annually, depending on the series of Trust Preferred Security. Distributions not paid when due accumulate additional interest. The funds available to each Citigroup Capital Trust for distributions on the Trust Preferred Securities are limited to payments received from Citigroup on the series of junior subordinated debt held by the applicable Citigroup Capital Trust.

If we defer interest payments on a series of junior subordinated debt, distributions on the related series of Trust Preferred Securities will also be deferred. During a deferral period, also called an extension period, we cannot pay any dividends or make any distributions relating to, or redeem, purchase, acquire or make a liquidation payment relating to, any of the Citigroup’s capital stock, including the Common Stock and the Public

Preferred Depositary Shares, or make an interest, principal or premium on or repurchase any of our debt securities that rank equal with or junior to the relevant series of junior subordinated debt, subject to certain exceptions.

Common Stock: Subject to the preferential rights of any other class or series of capital stock or other securities, including the Public Preferred Depositary Shares and the Trust Preferred Securities, holders of Common Stock will be entitled to receive such dividends when, as and if declared by our board of directors. On February 27, 2009, we announced that dividend payments on our Common Stock will be suspended.

The Public Preferred Stock Amendments would permit us to declare and pay dividends on Common Stock, without paying or setting apart for payment any dividends on any series of Public Preferred Depositary Shares.

Ranking

Public Preferred Depositary Shares: Each series of Public Preferred Depositary Shares currently ranks senior with respect to dividend rights and rights upon liquidation, dissolution or winding up of Citigroup to the Common Stock. Each series of Public Preferred Depositary Shares is equal in right of payment with the other outstanding series of Public Preferred Depositary Shares. The Public Preferred Depositary Shares rank junior in right of payment to all of our existing and future indebtedness and the Trust Preferred Securities. The liquidation preference of the Public Preferred Depositary Shares ranges from \$25 to \$1,000 per depositary share, plus any accrued and unpaid dividends on such depositary share.

Trust Preferred Securities: Each series of Trust Preferred Securities currently ranks senior with respect to rights upon liquidation, dissolution or winding up of Citigroup to the Common Stock and the Public Preferred Depositary Shares. Each series of TRUPS[®] is equal in right of payment with the other outstanding series of TRUPS[®], and each series of E-TRUPS[®] is equal in right of payment with the other outstanding series of E-TRUPS[®]. Generally, the E-TRUPS[®] rank junior in right of payment to all of our “senior indebtedness” (as defined in the relevant junior subordinated debt indenture, as amended) including the TRUPS[®], and the TRUPS[®] rank junior in right of payment to all of our “senior indebtedness” (as defined in the relevant junior subordinated debt indenture, as amended). The liquidation amount of the Trust Preferred Securities ranges from \$25 and \$1,000 per share (£1,000 in the case of the 6.829% E-TRUPS[®]), plus any accrued and unpaid distributions on such Trust Preferred Security.

Common Stock: The Common Stock will rank junior with respect to dividend rights and rights upon liquidation, dissolution or winding up of Citigroup to all other securities and indebtedness of Citigroup.

If the Public Preferred Stock Amendments become effective, holders of Public Preferred Depositary Shares will no longer be entitled to receive dividends in preference or priority to the holders of Common Stock.

Conversion Rights

Public Preferred Depositary Shares: The Series T Preferred Stock is the only series of Public Preferred Depositary Shares that is convertible.

Series T Preferred Stock:

Optional Conversion. Holders of the Series T Preferred Stock may convert, at their option, Series T Preferred Stock into Common Stock at a conversion rate of 1,482.3503 shares of Common Stock per share of the Series T Preferred Stock, subject to adjustment.

Holders of the Series T Preferred Stock may also convert their shares in the event of a make-whole acquisition or fundamental change.

Mandatory Conversion at Citigroup's Option. On or after February 15, 2013, Citigroup has the right to require holders of the Series T Preferred Stock to convert some or all of the outstanding shares of Series T Preferred Stock into the number of shares of Common Stock that are issuable at the then-applicable conversion rate if the closing sale price of the Common Stock for at least 20 trading days in a period of 30 consecutive trading days exceeds 130% of the then-applicable conversion price of the Series T Preferred Stock.

Trust Preferred Securities: The Trust Preferred Securities are not convertible into shares of Common Stock.

Common Stock: The Common Stock is not convertible.

Voting Rights

Public Preferred Depositary Shares:

Whenever dividends remain unpaid on the Public Preferred Depositary Shares or any other class or series of preferred stock that ranks on parity with Public Preferred Depositary Shares as to payment of dividends and having equivalent voting rights ("Parity Stock") for at least six quarterly dividend periods (whether or not consecutive) (or, for the Series E Preferred Stock), at least three semi-annual dividend periods), the number of directors constituting the board of directors will be increased by two members and the holders of the Public Preferred Depositary Shares together with holders of Parity Stock, voting separately as a single class, will have the right to elect the two additional members of the board of directors. When Citigroup has paid full dividends on any class or series of non-cumulative Parity Stock for at least four consecutive quarterly dividend periods (or, for the Series E Preferred Stock, at least two consecutive semi-annual periods) following such non-payment, and has paid cumulative dividends in full on any class or series of cumulative Parity Stock, the voting rights will cease and the authorized number of directors will be reduced by two.

In addition, holders of Public Preferred Depositary Shares currently have the right to vote as a separate class with all other series of Parity Stock adversely affected by and entitled to vote thereon (except preferred stock currently held by the USG, which votes as a separate class), with respect to:

- any amendment, alteration or repeal of the provisions of the Certificate of Incorporation, including the relevant Certificate of Designations, or Bylaws that would alter or change the voting powers, preferences or special rights of such series of Public Preferred Depositary Shares so as to affect them adversely;
- any amendment or alteration of the Certificate of Incorporation to authorize or increase the authorized amount of any shares of, or any securities convertible into shares of, any of Citigroup's capital stock ranking prior to such series of Public Preferred Depositary Shares; or
- the consummation of a binding share exchange or reclassification involving such series of Public Preferred Depositary Shares or a merger or consolidation of Citigroup with another entity.

Approval of two-thirds of such shares is required.

If the Public Preferred Stock Amendments become effective and the applicable series of Public Preferred Depositary Shares is delisted, holders of such series of Public Preferred Depositary Shares will no longer have the right to elect two additional members of the board of directors when dividends remain unpaid on the Public Preferred Depositary Shares or any other Parity Stock for at least six quarterly dividend periods (or three semi-annual periods for the Series E Preferred Stock), as described in the first paragraph above. In addition, the Public Preferred Stock Amendments would eliminate the requirement that two-thirds of the holders of Public Preferred Depositary Shares approve any amendment, alteration or repeal of the provisions of the Certificate of Incorporation, including the relevant Certificate of Designations, that would alter or change the voting powers, preferences or special rights of such series of Public Preferred Depositary Shares so as to affect them adversely. See "The Exchange Offers—The Amendments—Public Preferred Stock Amendments" for additional information on the Public Preferred Stock Amendments and the requirements for their approval.

Trust Preferred Securities: Generally, holders of the Trust Preferred Securities do not have any voting rights with respect to Citigroup, but do have the right to vote on modifications to certain documents governing the Trust Preferred Securities.

Common Stock: Holders of shares of Common Stock will be entitled to one vote per share on all matters voted on by Citigroup's stockholders. Following the adoption of the Common Stock Amendments, the holders of the Common Stock will not be entitled to vote on any amendments to the Certificates of Designation relating to any series of preferred stock.

Redemption

Public Preferred Depositary Shares:

Optional Redemption by Citigroup. Citigroup may redeem all or a portion (subject to the exception with respect to the Series E Preferred Stock and the 8.125% Non-Cumulative Preferred Stock, Series AA that a minimum of 2,000 shares be left outstanding following a partial redemption) of each series of Public Preferred Depositary Shares, at its option on or after the date set forth in the table below, at a redemption price equal to 100% of the liquidation preference thereof, on any dividend payment date for which dividends have been declared in full.

| <u>CUSIP</u> | <u>Title of Securities Represented by Public Preferred Depositary Shares</u> | <u>Redemption Date</u> | <u>Redemption Price Per Depositary Share</u> |
|---------------------|--|------------------------|--|
| 172967556 | 8.500% Non-Cumulative Preferred Stock, Series F | June 15, 2013 | \$ 25 |
| 172967ER8 | 8.400% Fixed Rate/Floating Rate Non-Cumulative Preferred Stock, Series E | April 30, 2018 | \$1,000 |
| 172967572 | 8.125% Non-Cumulative Preferred Stock, Series AA | February 15, 2018 | \$ 25 |
| 172967598 | 6.500% Non-Cumulative Convertible Preferred Stock, Series T | February 15, 2015 | \$ 50 |

In addition, Citigroup may redeem at any time, in whole but not in part, the Series T Preferred Stock if the aggregate liquidation preference of such shares is equal to 5% or less of the aggregate liquidation preference of the shares of such Series T Preferred Stock originally issued by Citigroup.

Redemption at Option of Holders. The Public Preferred Depositary Shares are not redeemable at the option of the holders.

Trust Preferred Securities:

Optional Redemption by the Trusts. The Trusts will redeem the Trust Preferred Securities on the dates and to the extent the related junior subordinated debt securities are redeemed by Citigroup. Citigroup may redeem, in whole, at any time, or in part, from time to time, the related junior subordinated debt securities set forth in the table below on or after the date set forth below at a redemption price equal to 100% of the principal amount to be redeemed plus any accrued and unpaid interest thereon through the date of redemption.

| <u>CUSIP</u> | <u>Title of Securities</u> | <u>Redemption Date</u> | <u>Redemption Price Per Security</u> |
|--------------------|----------------------------|----------------------------------|--------------------------------------|
| 173094AA1 | 8.300% E-TRUPS® | December 21, 2037 ⁽¹⁾ | \$1,000 |
| 173085200 | 7.875% E-TRUPS® | December 15, 2012 | \$ 25 |
| 17311U200 | 7.250% E-TRUPS® | August 15, 2012 | \$ 25 |
| 17309E200 | 6.875% E-TRUPS® | June 30, 2011 | \$ 25 |
| 17310G202 | 6.500% E-TRUPS® | September 15, 2011 | \$ 25 |
| 17310L201 | 6.450% E-TRUPS® | December 31, 2011 | \$ 25 |
| 17311H209 | 6.350% E-TRUPS® | March 15, 2012 | \$ 25 |
| XS0306711473 | 6.829% E-TRUPS® | June 28, 2017 | £1,000 |
| 17306N203 | 7.125% TRUPS® | July 31, 2006 | \$ 25 |
| 17306R204 | 6.950% TRUPS® | September 17, 2006 | \$ 25 |
| 173064205 | 6.100% TRUPS® | September 30, 2008 | \$ 25 |
| 173066200 | 6.000% TRUPS® | February 13, 2008 | \$ 25 |
| 17307Q205 | 6.000% TRUPS® | September 27, 2009 | \$ 25 |

- (1) The 8.300% E-TRUPS® may also be redeemed prior to December 21, 2037 at the applicable make-whole redemption amount.

The 7.625% TRUPS® issued by Citigroup Capital III do not provide Citigroup an option to redeem the related junior subordinated debt securities prior to its maturity date. However, all Trust Preferred Securities may be redeemed by Citigroup, in whole or in part, at varying redemption prices at any time if certain changes in tax, investment company or bank regulatory law or interpretation occur and certain other conditions are satisfied.

Redemption at Option of Holders. The Trust Preferred Securities are not redeemable at the option of the holders.

Common Stock: We have no obligation or right to redeem our Common Stock.

Listing

Public Preferred Depositary Shares: Each series of the Public Preferred Depositary Shares is listed on the NYSE, with the exception of depositary shares representing Series E Preferred Stock, which are not listed on any securities exchange. However, we intend to delist each series of Public Preferred Depositary Shares from the NYSE and we do not intend to apply for listing of any series of Public Preferred Depositary Shares on any other securities exchange. To the extent permitted by law, we intend to deregister each outstanding series of Public Preferred Depositary Shares and Public Preferred Stock under the Exchange Act.

Trust Preferred Securities: Each series of Trust Preferred Security is listed for trading on the NYSE, with the exception of the 8.300% E-TRUPS® issued by Citigroup Capital XXI, which are not listed for trading on any securities exchange.

Common Stock: The Common Stock is listed for trading on the NYSE.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes certain material U.S. federal income tax consequences relating to the exchange of the Public Preferred Depositary Shares or Trust Preferred Securities pursuant to the Exchange Offers and to the ownership and disposition of our Common Stock received upon such exchange.

Unless otherwise specifically indicated herein, this summary addresses the tax consequences only to a beneficial owner of the Subject Securities that is a citizen or individual resident of the United States, a corporation organized in or under the laws of the United States or any state thereof or the District of Columbia or otherwise subject to U.S. federal income taxation on a net income basis in respect of the Subject Securities or Common Stock (a “U.S. holder”). This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to exchange the Subject Securities by any particular investor, including tax considerations that arise from rules of general application to all taxpayers or to certain classes of taxpayers or that are generally assumed to be known by investors. This summary also does not address the tax consequences to (i) persons that may be subject to special treatment under U.S. federal income tax law, such as banks, insurance companies, thrift institutions, regulated investment companies, real estate investment trusts, tax-exempt organizations, U.S. expatriates, persons subject to the alternative minimum tax, traders in securities that elect to mark to market and dealers in securities or currencies, (ii) persons that have held the Subject Securities or will hold our Common Stock as part of a position in a “straddle” or as part of a “hedging,” “conversion” or other integrated investment transaction for federal income tax purposes, or (iii) persons that have not held the Subject Securities, or will not hold our Common Stock, as “capital assets” (generally, property held for investment).

This summary is based on the provisions of the Code, Treasury regulations, administrative rulings and judicial authority, all as in effect as of the date of this prospectus. Subsequent developments in U.S. federal income tax law, including changes in law or differing interpretations, which may be applied retroactively, could have a material effect on the U.S. federal income tax consequences of exchanging the Subject Securities for our Common Stock and owning and disposing of our Common Stock.

Each holder of Subject Securities should consult its own tax advisor regarding the U.S. federal, state, local, and foreign income and other tax consequences of exchanging the Subject Securities for our Common Stock and of owning and disposing of our Common Stock.

If a partnership (or other entity classified as a partnership for U.S. federal income tax purposes) is the beneficial owner of the Subject Securities or our Common Stock, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. If you are a partnership that has held the Subject Securities or will hold our Common Stock or if you are a partner in such a partnership, you should consult your own tax advisor regarding the U.S. federal income tax consequences of exchanging the Subject Securities for our Common Stock and owning and disposing of our Common Stock.

Classification of the Voting Trust

The Voting Trust will either be classified as a grantor trust or as merely a custodial arrangement that is not an entity recognized for United States federal tax purposes, and accordingly will not be classified as a partnership or an association taxable as a corporation. Accordingly, for U.S. federal income tax purposes, if you exchange Subject Securities pursuant to the Exchange Offers, you generally will be considered the owner of an undivided interest in your ratable share of the Common Stock held by the Voting Trust. Therefore the distribution of such Common Stock to you from the Voting Trust will not be a taxable event.

Treatment of the Exchange Offers

Exchange of the Public Preferred Depositary Shares into our Common Stock pursuant to the Exchange Offers

The exchange of the Public Preferred Depositary Shares for our Common Stock pursuant to the Exchange Offers will be treated as a recapitalization within the meaning of Section 368(a)(1)(E) of the Code. Therefore, except as described below with respect to cash in lieu of fractional shares, no gain or loss will be recognized by you upon the exchange. Accordingly, your tax basis in the Common Stock received in such an exchange should be the same as your tax basis in the Public Preferred Depositary Shares surrendered (excluding the portion of the tax basis that is allocable to any fractional share), and your holding period for such Common Stock should include your holding period for the Public Preferred Depositary Shares that were exchanged.

The amount of gain or loss recognized on the receipt of cash in lieu of a fractional share should be equal to the difference between the amount of cash you will receive in respect of the fractional share and the portion of your tax basis in the Public Preferred Depositary Shares that is allocable to the fractional share. Any gain or loss recognized on the exchange generally should be capital gain or loss and should be long-term capital gain or loss if, at the time of the exchange, you have held the Public Preferred Depositary Shares for more than one year. The deductibility of net capital losses by individuals and corporations is subject to limitations. You should consult with your own tax advisors concerning the treatment of cash received in lieu of a fractional share.

Exchange of the Trust Preferred Securities into our Common Stock pursuant to the Exchange Offers

A holder of a Trust Preferred Security is treated for U.S. federal income tax purposes as the beneficial owner of a ratable share of the debt securities held by the related trust (the “Underlying Debt Securities”). Thus the exchange of the Trust Preferred Securities for our Common Stock pursuant to the Exchange Offers will be treated as an exchange of the Underlying Debt Securities for our Common Stock for U.S. federal income tax purposes, and will be a recapitalization within the meaning of Section 368(a)(1)(E) of the Code. Therefore, except as described below with respect to accrued but unpaid interest, cash in lieu of fractional shares, and foreign currency gain or loss realized on the Sterling-denominated 6.829% E-TruPS[®] no gain or loss will be recognized by you upon the exchange. Accordingly, your holding period for the Common Stock received in such an exchange (excluding Common Stock attributable to accrued but unpaid interest on the Underlying Debt Securities) should include your holding period for the Trust Preferred Securities that were exchanged and your tax basis in such Common Stock (excluding Common Stock attributable to accrued but unpaid interest on the Underlying Debt Securities) should be the same as your adjusted tax basis in the Trust Preferred Securities surrendered (excluding the portion of the tax basis that is allocable to any fractional share). Your tax basis in the Common Stock received in exchange for the Sterling-denominated 6.829% E-TruPS[®] will be adjusted to take into account the amount of any foreign currency gain or loss realized in the exchange, as described below.

The fair market value of any Common Stock received by you attributable to accrued but unpaid interest on the Underlying Debt Securities should be taxable as ordinary income (to the extent not previously taken into income). Your initial tax basis in any Common Stock treated as an interest payment should be equal to its fair market value immediately after the settlement date, and your holding period with respect to such Common Stock should begin on the day following the settlement date.

The amount of gain or loss recognized on the receipt of cash in lieu of a fractional share should be equal to the difference between the amount of cash you will receive in respect of the fractional share and the portion of your tax basis in the Trust Preferred Securities that is allocable to the fractional share. Any gain or loss recognized on the exchange generally should be capital gain or loss and should be long-term capital gain or loss if, at the time of the exchange, you have held the Trust Preferred Securities for more than one year. The deductibility of net capital losses by individuals and corporations is subject to limitations. You should consult with your own tax advisors concerning the treatment of cash received in lieu of a fractional share.

If you acquired a Trust Preferred Security for an amount that is less than the stated principal amount of a ratable share of the Underlying Debt Securities, the amount of such difference is generally treated as “market

discount” on the Underlying Debt Securities for U.S. federal income tax purposes. In general, market discount will be considered to accrue ratably during the period from the date of the purchase of the Trust Preferred Security to the maturity date of the Underlying Debt Securities, unless you make an irrevocable election (on an instrument-by-instrument basis) to accrue market discount under a constant yield method. If you exchange Trust Preferred Securities with accrued market discount for our Common Stock pursuant to the Exchange Offers, any gain on the subsequent disposition of such Common Stock will be treated as ordinary income to the extent of such accrued market discount that has not previously been included in income. In the case of Sterling-denominated 6.829% E-TruPS[®], such accrued market discount first will be calculated in Sterling and then will be translated into U.S. dollars at the spot exchange rate on the settlement date of the Exchange Offers. Market discount calculated in this way will not be treated as foreign currency gain or loss for purposes of the special rules discussed in the following paragraph.

If you exchange the Sterling-denominated 6.829% E-TruPS[®] for our Common Stock pursuant to the Exchange Offers, you will recognize gain or loss realized on such exchange to the extent attributable to changes in currency exchange rates during the period in which you held such securities. This foreign currency gain or loss will be treated as ordinary income or loss.

Non-U.S. Holders

Generally, if you are a foreign corporation or a non-resident alien individual, you will not recognize any gain or loss upon the exchange of Subject Securities for Common Stock pursuant to the Exchange Offers. In particular, (i) gain or loss will not be recognized with respect to cash received in lieu of a fractional share provided that (a) such gain or loss is not effectively connected with your conduct of a trade or business in the United States, (b) if you are an individual who holds the Subject Securities as capital assets, you are present in the United States for less than 183 days in the taxable year of the exchange and other conditions are met, and (c) you comply with certain certification requirements; and (ii) the fair market value of any Common Stock received by you attributable to accrued but unpaid interest on the Trust Preferred Securities should not be subject to U.S. federal income tax provided that (a) the interest on the Trust Preferred Securities is not effectively connected with your conduct of a trade or business in the United States, (b) you do not actually or constructively own 10% or more of the total combined voting power of all classes of our stock and are not a controlled foreign corporation related to us through stock ownership, and (c) you comply with certain certification requirements.

U.S. Holders of Common Stock

Distributions on Common Stock

In general, distributions with respect to our Common Stock will constitute dividends to the extent made out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, the excess will be treated as a non-taxable return of capital to the extent of your tax basis in our Common Stock and thereafter as capital gain from the sale or exchange of such Common Stock. Dividends received by a corporate U.S. holder will be eligible for the dividends-received deduction if you meet certain holding period and other applicable requirements. Dividends received by a non-corporate U.S. holder in tax years beginning on or before December 31, 2010 will qualify for taxation at special rates if you meet certain holding period and other applicable requirements.

Disposition of Common Stock

Subject to the above discussion on market discount under “*Exchange of the Trust Preferred Securities into our Common Stock pursuant to the Exchange Offers*,” upon the sale or other disposition of our Common Stock received upon exchange of Subject Securities pursuant to the Exchange Offers, you will generally recognize capital gain or loss equal to the difference between the amount realized and your adjusted tax basis in our Common Stock. Such capital gain or loss will generally be long-term if your holding period in respect of such Common Stock is more than one year. Your holding period for Common Stock received in exchange for Public Preferred Depositary Shares should include your holding period for the Public Preferred Depositary Shares that

were exchanged. For a discussion of your holding period in respect of Common Stock received in exchange for Trust Preferred Securities, see above under “*Exchange of the Trust Preferred Securities into our Common Stock pursuant to the Exchange Offers.*” Long-term capital gain recognized by a non-corporate U.S. holder is eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

U.S. Information Reporting and Backup Withholding

You will be subject to information reporting with respect to any dividend payments by us to you and proceeds of the sale or other disposition by you of our Common Stock, unless you are a corporation or other exempt recipient and appropriately establish that exemption. In addition, such payments will be subject to U.S. federal backup withholding tax, unless you supply a taxpayer identification number, certified under penalties of perjury, as well as certain other information or otherwise establish an exemption from backup withholding. The backup withholding rate is currently 28%.

Non-U.S. Holders of Common Stock

The discussion in this section is addressed to holders of the Common Stock received pursuant to the Exchange Offers that are “non-U.S. holders.” You are a non-U.S. holder if you are a beneficial owner of the Common Stock who is a foreign corporation or a non-resident alien individual.

Dividends

Dividends with respect to our Common Stock ordinarily will be subject to withholding of U.S. federal income tax at a 30 percent rate, or at a lower rate under an applicable income tax treaty that provides for a reduced rate of withholding. However, if the dividends are effectively connected with your conduct of a trade or business within the United States (and, if certain treaties apply, are attributable to your permanent establishment in the United States), then the dividends will be exempt from the withholding tax described above and instead will be subject to U.S. federal income tax on a net income basis.

Gain on Disposition of Common Stock

You generally will not be subject to United States federal income tax in respect of gain realized on a disposition of Common Stock, provided that (a) the gain is not effectively connected with your conduct of a trade or business in the United States and (b) if you are an individual who holds the Common Stock as a capital asset, you are present in the United States for less than 183 days in the taxable year of the sale and other conditions are met.

Federal Estate Taxes

Common Stock owned or treated as being owned by a non-U.S. holder at the time of death will be included in such holder’s gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

U.S. Information Reporting and Backup Withholding Tax

U.S. information reporting requirements and backup withholding tax will not apply to dividends paid on Common Stock, provided that you provide a Form W-8BEN (or satisfy certain documentary evidence requirements for establishing that you are not a U.S. person) or otherwise establish an exemption. Information reporting and backup withholding also generally will not apply to a payment of the proceeds of a sale of Common Stock effected outside the United States by a foreign office of a foreign broker. However, information reporting requirements (but not backup withholding) will apply to a payment of the proceeds of a sale of Common Stock effected outside the United States by a foreign office of certain U.S.-related brokers, unless the broker has documentary evidence in its records that you are a non-U.S. holder and certain conditions are met, or you otherwise establish an exemption. Payment by a U.S. office of a broker of the proceeds of a sale of Common Stock will be subject to both backup withholding and information reporting unless you certify your non-U.S. status under penalties of perjury or otherwise establish an exemption.

LEGAL MATTERS

The validity of the Common Stock to be issued in the Exchange Offers will be passed upon for us by Michael J. Tarpley, Assistant General Counsel — Capital Markets. Mr. Tarpley is paid a salary and a bonus by us, is a participant in our employee benefit plans and beneficially owns, or has rights to acquire under Citigroup's employee benefit plans, an aggregate of less than 1% of Citigroup's Common Stock. Certain legal matters with respect to the Exchange Offers will be passed upon for us by Cleary Gottlieb Steen & Hamilton LLP, New York, New York. Cleary Gottlieb Steen & Hamilton LLP has from time to time acted as counsel for Citigroup and its subsidiaries and may do so in the future.

EXPERTS

The consolidated financial statements of Citigroup Inc. as of December 31, 2008 and 2007, and for each of the years in the three-year period ended December 31, 2008, and management's assessment of effectiveness of internal control over financial reporting as of December 31, 2008, have been incorporated by reference herein in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing. To the extent that KPMG audits and reports on consolidated financial statements of Citigroup at future dates and consents to the use of their reports thereon, such consolidated financial statements also will be incorporated by reference in the registration statement in reliance upon their reports and said authority. The report of KPMG LLP on the consolidated financial statements refers to changes in 2007 in Citigroup Inc.'s methods of accounting for fair value measurements, the fair value option for financial assets and financial liabilities, uncertainty in income taxes and cash flows relating to income taxes generated by a leverage lease transaction.

Annex A

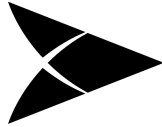
Please see the attached Preferred Proxy Statement.

Annex B

Please see the attached Common Proxy Statement.



The Exchange Agent for the Exchange Offers is:



**BNY MELLON
SHAREOWNER SERVICES**

Attn: Corporate Actions Dept., 27th Floor
480 Washington Boulevard
Jersey City, NJ 07310

The Information Agent for the Exchange Offers is:

Morrow & Co., LLC

470 West Avenue
Stamford, CT 06902

Banks and Brokerage Firms, Please Call: (203) 658-9400
Holders Call Toll Free: (800) 445-0102

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Liability Management Desk
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