Hello everyone. This is Jamie Forese speaking. I am the co-head of global markets within Citi’s Institutional Clients Group and I want to thank you all for joining us to listen to our brief message on the current state of markets.

Obviously for the last several market days as well as all throughout the weekend, we have been dealing with an unprecedented time in financial markets.

The markets have been extremely volatile and the markets have not known what to anticipate by way of the resolution of certain counterparties’ exposures.

We have been in active dialog with the regulators about events and we have been in active dialog with our peers in the industry as well.

We are very pleased with the measures that the regulators have taken to provide liquidity to help support market stability as we all contend with resolving and unwinding of the counterparty exposures that we all have to Lehman Brothers.

We also believe that the measures the industry has taken themselves to help support liquidity are also very important steps.

As we look to unwind this, one of the things that we are most focused on is ensuring that there is adequate liquidity in the system and that cash is moving through the system and that positions are continuing to be financed.

As I said, we are very pleased with the measures that the Fed, Treasury and the SEC have taken and we believe that we are on the same message as the industry overall to ensure that we continue to provide liquidity and financing throughout the markets.

That is going to be our ongoing focus. That has been the focus of conversations over the weekend and we will continue to monitor that.

Should you have any questions, by all means, please do not hesitate to contact one of your representatives that you know here at the firm for more information on how we are approaching liquidity and funding in the marketplace.

With that let me turn it over to Gary who will take you through some of the positions that allow us to have such a strong standing in the marketplace.

Thank you Jamie.

I’d like to spend a few minutes discussing the strength of our capital and liquidity position that allows us to provide the market support that Jamie has just discussed.

We have spent a tremendous amount of time and resources since the beginning of the year strengthening these positions and planning for severe disruptions just like we are currently seeing in the markets.

Today, due to the strength of our capital and liquidity positions, we were able to be a supportive participant in the liquidity facility that the Fed has put in place. This facility will help bring stability to the markets and we are very pleased to be an active participant.
Turning to some of the specifics of our capital and liquidity position. We have responded aggressively to the dislocated credit markets with a clear objective to solidify the balance sheet in order to serve clients and counterparties during this uncertain environment from a position of strength.

We have achieved these objectives by reducing assets, building capital, deleveraging our balance sheet, extending debt maturities and continuing to tap into global markets for our debt issuances.

Starting with asset reductions, as we said in the second quarter earnings call, we reduced assets by $99 billion, with approximately two-thirds driven by a reduction of legacy assets. Consumer loans were down by almost $26 billion, corporate loans were down by $17 billion and trading account assets were down by about $73 billion. To date, the pattern of reducing assets and deleveraging the balance sheet has continued through this point in the third quarter.

Over the past 10 months, we have raised $49.7 billion in Tier 1 eligible capital from a wide range of investor types around the world in various equity categories. These categories have included eTruPs, Upper DECS, convertible preferreds and common equity.

As of the second quarter, our Tier 1 capital ratio stood at 8.7%, which is well in excess of the “well-capitalized” regulatory minimums. With continued deleveraging through the sale of our German retail franchise, which is anticipated to close in the fourth quarter, we expect to add another 60 basis points to our Tier 1 ratio.

As of the second quarter, Citigroup had a deposit base of approximately $800 billion that was diversified across products and regions, with more than two thirds of it outside the U.S. This diversification, including deep access to international deposits, provides us with an important, stable and low-cost source of funding.

As of the second quarter, we had increased our structural liquidity of equity, long-term debt and deposits by $119 billion over a twelve month time period, and we have been net sellers of significant amounts of funds into the unsecured wholesale funding markets, up to and including the end of last week.

To date, we have extended the maturity profile of our Citigroup Inc. senior unsecured borrowings to a weighted average maturity of 7 years. We have also reduced our commercial paper program to $31.9 billion and have extended the maturity to 54 days. Our reserve of cash and highly liquid securities which stood at $65 billion at the end of the second quarter, and is essentially the same today, is up from $24 billion at year end 2007.
In spite of the credit market dislocation, there has been strong and consistent demand for Citi credit in the market. Year to date, Citi has issued $26.6 billion in long-term debt with a weighted average maturity of 9.4 years. Just last week, we completed a 315 billion Yen, or approximately $3 billion, retail samurai offering which was the largest Japanese retail offering ever done.

[SEPTEMBER 30, 2008 UPDATE: On September 30, 2008, Citigroup announced the postponement of its retail samurai offering, which had been set to close on September 30, 2008. Citigroup’s agreement-in-principle to acquire certain banking and other assets of Wachovia Corporation was announced on September 29, 2008, after the subscription period for the retail samurai securities had ended. Securities subscribers were therefore unable to re-evaluate their investment decision by considering the September 29 announcement. Citigroup intends to revisit the retail samurai market when appropriate.]

So that gives you a quick summary of where we stand from a capital and liquidity standpoint and the reasons we are confident in our ability to stand by our clients in these highly uncertain times.

Thanks again for joining us today. It is obviously unclear how the events of the last few days will play out in the financial markets and the potential impact that might have on our marks and financial performance for the current quarter. We will, however, as always, come back to our investors, clients and employees, as appropriate.

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Certain statements in this document are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act. These statements are based on management’s current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in these statements due to a variety of factors. More information about these factors is contained in Citi’s filings with the Securities and Exchange Commission.