

[Translation]

January 5, 2009

Name of Company: Citigroup Inc.
(Code No.: 8710, First Section of the Tokyo Stock
Exchange)
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Issuance of the \$20 Billion Preferred Stock and a Warrant
to the U.S. Department of the Treasury

On December 31, 2008, Citigroup Inc. (“Citigroup”), as part of the previously announced agreement with the U.S. Treasury, the Federal Reserve Board and the Federal Deposit Insurance Corporation, signed an agreement to issue to the U.S. Treasury \$20 billion of its perpetual preferred stock and a warrant to purchase approximately 188.5 million shares of common stock at a strike price of \$10.61. The transaction settled on December 31, 2008.

The Securities Purchase Agreement and the preferred stock contain limitations on certain actions by Citigroup, including but not limited to payments of dividends, redemptions and acquisitions of equity securities, and compensation of senior executive leadership.

**CITI ISSUANCE OF \$20 BILLION OF PERPETUAL PREFERRED
STOCK AND WARRANTS TO U.S. TREASURY
AS PART OF TARP PROGRAM**



Perpetual Preferred Placement Terms

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| Offering | <ul style="list-style-type: none"> • \$20 billion liquidation preference perpetual preferred stock |
| Investor | <ul style="list-style-type: none"> • United States Department of the Treasury |
| Regulatory Treatment | <ul style="list-style-type: none"> • Tier 1 capital |
| Accounting Treatment | <ul style="list-style-type: none"> • Recorded in stockholders' equity |
| Ranking | <ul style="list-style-type: none"> • Pari passu with all other series of outstanding preferred stock |
| Dividends | <ul style="list-style-type: none"> • 8.00% per annum • Cumulative, payable quarterly • Dividends are not tax-deductible |
| Maturity | <ul style="list-style-type: none"> • Perpetual |
| Call Protection | <ul style="list-style-type: none"> • Non-callable prior to the date on which all outstanding shares of Series H preferred stock issued under the TARP Capital Purchase Program have been redeemed or repurchased |
| Impact on Previously Issued Convertible Securities | <ul style="list-style-type: none"> • None |

Warrant Placement Terms

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|---|---|
| Offering | <ul style="list-style-type: none"> • Warrants to purchase Citi common stock |
| Investor | <ul style="list-style-type: none"> • United States Department of the Treasury |
| Regulatory Treatment | <ul style="list-style-type: none"> • Tier 1 capital |
| Accounting Treatment | <ul style="list-style-type: none"> • Recorded in stockholders' equity • Impact to EPS calculated under the Treasury Stock Method |
| Number of Underlying Shares | <ul style="list-style-type: none"> • 188,501,414 |
| Strike Price | <ul style="list-style-type: none"> • \$10.61 (average of the closing prices of Citi common stock for the 20 trading days ending on November 21st) |
| Exercise Type | <ul style="list-style-type: none"> • American exercise (anytime during the life of the warrant) • Physical or net share settlement at Investor's option |
| Impact on Previously Issued Convertible Securities | <ul style="list-style-type: none"> • Issuance of the warrant, together with the issuance of common stock in April 2008 and a warrant in October 2008, will result in a reduction of the conversion price of the privately placed convertible securities issued in January 2008 • Maximum additional underlying shares equals 23 million (exact number of additional underlying shares subject to further valuation) |

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