



**FOR IMMEDIATE RELEASE**  
**Citigroup Inc. (NYSE: C)**  
**May 7, 2009**

**Citi to Expand Public Exchange Offers by \$5.5 Billion to Meet U.S. Government  
Stress Test Requirements**

**Expanded Transaction Does Not Require Additional U.S. Government Investment  
or Conversion of Additional U.S. Government Preferred Shares**

NEW YORK – Citi announced today that it will expand its previously disclosed public exchange offers by \$5.5 billion. This increase reflects the results of the U.S. government’s Supervisory Capital Assessment Program (SCAP).

“The government’s stress test was a rigorous process that assessed our capital and confirms our view that Citi’s plans and actions will give it the financial strength to weather an adverse stress scenario,” said Vikram Pandit, Chief Executive Officer of Citi. “The results also reflect 15 months of continuous work, tough decisions and steady execution towards a strong and stable Citi with a clear strategy for the future.”

In the past 15 months, Citi has achieved the following milestones:

- Reduced expenses by 25% and headcount by almost 20% from the peak in 4Q ‘07
- Reduced the balance sheet by 23% from the peak in 3Q ‘07
- Completed 23 divestitures
- Announced the Morgan Stanley/Smith Barney joint venture and the sale of Nikko Cordial Securities
- Strategically focused Citi by separating the company into Citicorp and Citi Holdings

“Citi has a unique global franchise and global network that we will continue to strengthen,” said Mr. Pandit. “There is no other institution in the world that offers the services we offer in the places we offer them. We bring the world to our clients and our clients to the world. Today, Citi serves 98% of the *Fortune* 500 and 99% of the Global *Fortune* 500 and we look forward to continuing to execute on our strategy and fully realize the power of Citi’s extraordinary global franchise.”

Citi will expand its public exchange offers previously announced on February 27, 2009 by increasing the maximum amount of preferred securities and trust preferred securities that it will accept in exchange for common stock from \$27.5 billion to \$33 billion to further increase Tier I Common without any additional U.S. government investment or conversion of U.S. government securities into common shares. The conversion price of \$3.25, the exchange factors and the priority of trust preferred securities accepted in the

exchange offers will remain unchanged from the transaction terms as previously announced. (See attached transaction summary)

Consistent with the previous announcement, the U.S. government will continue to match the exchanges by public and private holders up to a maximum of \$25 billion face value of its preferred stock at the same conversion price. The U.S. government will also continue to exchange the portion of its existing preferred securities that are not exchanged for common shares into new trust preferred securities with an annual coupon of 8%.

Citi said that it expects to launch the public exchange offers shortly after further SEC review of our S-4 and finalization of definitive agreements with the U.S. government reflecting the transaction terms previously agreed with the U.S. government.

This transaction could increase Tier I Common of the company from the first quarter level of \$22.1 billion to as much as \$86.2 billion, which assumes the exchange of \$33 billion of preferred securities and trust preferred securities, the maximum eligible under this transaction. Citi's TCE which was \$30.9 billion on March 31, 2009 will increase by as much as \$60.4 billion to up to \$91.3 billion.

Based on the maximum eligible conversion, the U.S. government would own approximately 34% of Citi's outstanding common stock and existing shareholders would own approximately 24% of the outstanding common shares.

As previously announced, Citi intends to continue to pay full dividends on the preferred shares through and until the closing of the public exchange at which point these dividends will be suspended. It remains Citi's intention not to pay common stock dividends during this period. Citi also reconfirms that it has no plans to suspend distributions at current rates on its trust preferred securities.

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Vikram Pandit, Chief Executive Officer, and Ned Kelly, Chief Financial Officer, will host a teleconference and live webcast on Thursday, May 7, 2009 at 6:00 PM (EDT) to discuss results from the Supervisory Capital Assessment Program and provide an update on the timing of the previously announced public exchange offer. A live webcast of the presentation, as well as presentation materials, will be available at <http://www.citigroup.com/citigroup/fin>. A replay of the webcast will be available at <http://www.citigroup.com/citi/fin/pres.htm>.

To dial-in to the live teleconference, please call (877) 700-4194 (for U.S. and Canada callers) or (706) 679-8401 (for international callers). Conference code: 98930052.

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Citi, the leading global financial services company, has approximately 200 million customer accounts and does business in more than 140 countries. Through its two operating units, Citicorp and Citi Holdings, Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, and wealth management. Additional information may be found at [www.citigroup.com](http://www.citigroup.com) or [www.citi.com](http://www.citi.com).

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. In connection with the proposed public exchange offer, Citi has filed a Registration Statement on Form S-4 that contains a prospectus and related exchange offer

materials with the Securities and Exchange Commission (the "SEC") on March 19, 2009. This registration statement has not yet become effective. Citi will mail the prospectus to the holders of its series of convertible and non-convertible public preferred stock and TruPs and ETruPs that may be eligible to participate in the exchange offer. Holders of these series of preferred stock, TruPs and ETruPs are urged to read the prospectus and related exchange offer materials because they contain important information.

In connection with the solicitation of proxies for the proposed amendments to its certificate of incorporation and the certificates of designations of its public preferred stock, Citi has filed preliminary proxy statements with the SEC on March 19, 2009 and intends to file definitive proxy statements. When completed, the definitive proxy statements and accompanying proxy card will be mailed to stockholders of Citi. Investors and security holders of Citi are urged to read the proxy statements and other relevant materials as they become available because they will contain important information.

You may obtain a free copy of any of the documents filed by Citi with the SEC through the SEC's website at [www.sec.gov](http://www.sec.gov). Free copies of these documents may also be obtained by accessing Citi's website at [www.citigroup.com](http://www.citigroup.com) and clicking on the link for "Investors" and then clicking on the link for "All SEC Filings" or by contacting Citigroup at the following address or telephone number: Citigroup Document Services, 540 Crosspoint Parkway, Getzville, NY 14068, or within the United States, at +1-877-936-2737 or outside the United States, at +1-716-730-8055, or by e-mailing a request to [docserve@citigroup.com](mailto:docserve@citigroup.com).

Citi and its directors and executive officers and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed amendments to its certificate of incorporation and the certificates of designations of its public preferred stock. Information regarding Citi's directors and executive officers is available in its Annual Report on Form 10-K for the year ended December 31, 2008, which was filed with the SEC on February 27, 2009, and its preliminary proxy statement for its 2009 annual meeting of shareholders, which was filed with the SEC on March 16, 2009. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statements/prospectuses and other relevant materials to be filed with the SEC when they become available.

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## OVERVIEW OF CITI EXCHANGE OFFERS



### U.S. Government Preferred Stock Exchange

<b>Target Securities</b>	▶ TARP Series H Preferred Stock (\$25 billion) issued on October 28, 2008
<b>Amount Exchanged</b>	▶ Amount exchanged will equal the amount of preferred stock of private and public holders and trust preferred securities exchanged, up to \$25 billion
<b>Exchange Price</b>	▶ \$3.25/share at par
<b>U.S. Treasury Receives</b>	▶ Interim securities and warrants (see below)
<b>Remaining Preferreds</b>	▶ All outstanding preferred stock not exchanged for the interim securities will be exchanged for trust preferred securities with a coupon of 8%
<b>Non-target Securities</b>	▶ TARP Series I Preferred Stock (\$20 billion) issued on December 31, 2008 and Series G (\$7 billion) will each convert into trust preferred securities with a coupon of 8%

### Privately Placed Convertible Preferred Stock Exchange

<b>Target Securities</b>	▶ Private convertible preferred stock (series A1, B1, C1, D1, J1, K1, L2, N1) initially issued on January 23, 2008 (the private preferred stock)
<b>Amount Exchanged</b>	▶ Target \$12.5 billion
<b>Exchange Price</b>	▶ \$3.25/share at par
<b>Investors Receive</b>	▶ Interim securities and warrants (see below)
<b>Remaining Preferreds</b>	▶ Dividends on outstanding private preferred stock not exchanged will be suspended

### Publicly Issued Straight and Convertible Preferred Stock and Trust Preferred Securities Exchange

<b>Target Securities</b>	<ul style="list-style-type: none"> <li>▶ Public preferred stock (series AA, E, F) issued in January, April and May 2008</li> <li>▶ Public convertible preferred (series T) issued in January 2008</li> <li>▶ Enhanced Trust Preferred Securities (E-TruPS)</li> <li>▶ Trust Preferred Securities (TruPS)</li> </ul>
<b>Amount</b>	▶ Target \$20.5 billion (increased from \$15.0 billion)
<b>Exchange Price</b>	▶ \$3.25/share at premium to market
<b>Investors Receive</b>	▶ Common stock
<b>Remaining Preferreds</b>	<ul style="list-style-type: none"> <li>▶ Dividends on outstanding preferred stock not exchanged will be suspended</li> <li>▶ E-TruPS and TruPS distributions remain unchanged</li> </ul>

For additional details regarding the public exchange offers, visit Citi's Investor Relations website at <http://www.citigroup.com/citi/fin/>

## OVERVIEW OF CITI EXCHANGE OFFERS



### Other Terms

<b>Maximum Exchange Amount</b>	<ul style="list-style-type: none"> <li>▶ Total of \$33.0 billion of privately placed and publicly issued preferred stock and trust preferred securities (increased from \$27.5 billion)</li> </ul>
<b>Exchange Eligibility</b>	<ul style="list-style-type: none"> <li>▶ Under definitive exchange agreements entered into on March 18, 2009, the private exchanges will accommodate all series of private preferred stock</li> <li>▶ The public exchange offers will accommodate all series of public preferred stock, as well as a number of series of E-TruPS and TruPS dependant upon the participation rate in the public exchange offers</li> </ul>

### Interim Securities and Warrants

<b>Securities</b>	<ul style="list-style-type: none"> <li>▶ Common equivalent securities mandatorily convertible into common stock on a one-for-one basis upon stockholder vote</li> </ul>
<b>Warrants</b>	<ul style="list-style-type: none"> <li>▶ Warrants to acquire 790 million shares of common stock at \$0.01/share</li> </ul>

### Stockholder Vote

<b>Interim Securities and Warrants Issuance</b>	<ul style="list-style-type: none"> <li>▶ No vote is required for the issuance of interim securities and warrants</li> </ul>
<b>Authorized Common Stock</b>	<ul style="list-style-type: none"> <li>▶ Vote required for charter amendment to increase authorized common stock to permit conversion of interim securities into common stock</li> </ul>
<b>If Vote Passes</b>	<ul style="list-style-type: none"> <li>▶ Interim securities convert into common stock</li> <li>▶ Warrants are cancelled</li> </ul>
<b>If Vote Fails</b>	<ul style="list-style-type: none"> <li>▶ Interim securities receive greater of dividend on common stock or dividend of 9%, which increases by 200 basis points every quarter until it reaches 19%</li> <li>▶ Six months after issuance, warrants become exercisable at any time</li> </ul>
<b>Other Stockholder Proposals</b>	<ul style="list-style-type: none"> <li>▶ To authorize the execution of a reverse stock split</li> <li>▶ To amend certain other terms of the charter and each series of public preferred stock to amend the rights of holders of public preferred stock</li> </ul> <p><i>For a detailed description of all stockholder votes being sought in connection with the public exchange offers, see the preliminary proxy statements on Form 14A filed by Citigroup with the Securities and Exchange Commission on March 19, 2009.</i></p>