

**CITI ISSUANCE OF \$25 BILLION OF PERPETUAL PREFERRED  
STOCK AND WARRANT TO U.S. TREASURY AS PART  
OF TARP CAPITAL PURCHASE PROGRAM**



**Perpetual Preferred Placement Terms**

<b>Offering</b>	▶ \$25 billion liquidation preference perpetual preferred stock
<b>Investor</b>	▶ United States Department of the Treasury
<b>Regulatory Treatment</b>	▶ Tier 1 capital
<b>Accounting Treatment</b>	▶ Recorded in stockholders' equity
<b>Ranking</b>	▶ Pari passu with all other series of outstanding preferred stock
<b>Dividends</b>	▶ 5.00% per annum for first five years, 9.00% per annum thereafter ▶ Cumulative, payable quarterly ▶ Dividends are not tax-deductible
<b>Maturity</b>	▶ Perpetual
<b>Call Protection</b>	▶ Non-callable prior to 3 <sup>rd</sup> anniversary other than with proceeds from issuance of Tier 1-qualifying perpetual preferred or common stock of at least \$6.25 billion
<b>Impact on Previously Issued Convertible Securities</b>	▶ None

**Warrant Placement Terms**

<b>Offering</b>	▶ Warrant to purchase Citi common stock
<b>Investor</b>	▶ United States Department of the Treasury
<b>Regulatory Treatment</b>	▶ Tier 1 capital
<b>Accounting Treatment</b>	▶ Recorded in stockholders' equity ▶ Impact to EPS calculated under the Treasury Stock Method
<b>Number of Underlying Shares</b>	▶ Initially 210,084,034 ▶ Would be reduced by half if Citi raises an additional \$25 billion through the issuance of Tier 1-qualifying perpetual preferred or common stock securities by December 31, 2009
<b>Strike Price</b>	▶ \$17.85 (average of the closing prices of Citi common stock for the 20 trading days ending on October 10 <sup>th</sup> )
<b>Exercise Type and Expiration</b>	▶ American exercise (anytime during the life of the warrant) ▶ Physical or net share settlement at Investor's option ▶ Expiration date is October 28, 2018
<b>Impact on Previously Issued Convertible Securities</b>	▶ Reset provisions in privately-issued convertible securities provide for conversion prices to be adjusted at the one-year anniversary of the issue date of the securities ▶ As of October 31, 2008, the conversion price will be \$27.6958 based on the issuance of common stock in April 2008 and the warrant in October 2008 ▶ This will result in the issuance of an additional 56.0 million shares upon conversion