March 18, 2009

Dear Stockholder:

On February 27, 2009, Citigroup Inc. ("**Citi**") announced that it will issue common stock in exchange for preferred securities pursuant to a series of transactions by which Citi will offer to exchange common stock for up to $27.5 billion of its existing preferred securities and trust preferred securities (held by investors other than U.S. government agencies) at a conversion price of $3.25 per share. Additionally, Citi announced that U.S. government agencies will match this exchange up to a maximum of $25 billion face value of its preferred stock at the same conversion price.

Pursuant to these transactions, Citi will offer to exchange:

- Interim securities and warrants for private convertible preferred securities held by investors other than U.S. government agencies;
- Interim securities and warrants for U.S. government-held preferred securities; and
- Common stock for convertible and non-convertible preferred securities that had been publicly offered.

The interim securities are a common stock equivalent and, subject to certain exceptions, will be entitled to the same voting rights as common stock and will have voting power in excess of 20 percent of the voting power outstanding at this time. Therefore, the rules of the New York Stock Exchange ("**NYSE**") generally would require shareholder approval prior to the issuance of the interim securities, the warrants and the common stock contemplated by the proposed transactions. The Company has decided to rely on the exception to this Rule in Section 312.05 of the NYSE Listed Company Manual, because the Company believes that speed and certainty in consummating the transactions on the announced structure (without delay for stockholder approval or other conditions) is crucial, especially in an environment where market misperceptions (fueled by rumor and manipulation) can intensify after unanticipated delays in announced plans.

In reaching this conclusion, the Company took into account the following:

- The Company (and its regulators) were focused on Tier 1 capital as risk capital and based on the Company's December 31, 2008 Tier 1 ratio of 11.9%, the Company has been very well capitalized. Consequently, in recent quarters, the Company's capital structure has been weighted toward preferred hybrid securities. However, over the last several months the market has become increasingly focused on tangible common equity as another important metric of the capital and financial condition of financial institutions. Based on this focus, the Company determined that it was necessary to rebalance its capital toward common equity to address this emerging concern and the related market confidence issues.
- The primary goal of the exchange offers announced on February 27, 2009 is to make the Company one of the strongest capitalized banks on a tangible common basis, and depending on the level of participation by exchanging holders, tangible common equity would increase to up to $81 billion;
- The transaction was agreed to by the Company's regulators and agencies of the United States Government and certain of its principal holders of preferred stock.
- The belief that certainty of prompt execution of the exchange offers referred to above is critical in protecting market confidence in the Company.

The Audit and Risk Management Committee has expressly approved the reliance by Citi on the exception to the NYSE Rule, on the basis of the above.

The NYSE has accepted the Company's application of the exception.

We appreciate your continued support, which is critical to the long-term success of Citi.

Sincerely,

Gary Crittenden
Chief Financial Officer