

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Announces Pricing of Citigroup Common Stock Offering

12/6/2010

TREASURY EXITS CITIGROUP COMMON STOCK POSITION NETTING A CUMULATIVE PROFIT FOR TAXPAYERS OF \$12.0 BILLION

WASHINGTON – The U.S. Department of the Treasury announced today that it priced an underwritten public offering of approximately 2.4 billion shares of Citigroup Inc. common stock at \$4.35 per share. This offering disposed of Treasury's remaining shares of Citigroup common stock. The aggregate proceeds to Treasury from the offering are expected to be \$10.5 billion. The total amount of Troubled Asset Relief Program (TARP) funds returned and cancelled guarantee commitments now exceeds approximately \$269 billion.

"By selling all the remaining Citigroup shares today, we had an opportunity to lock in substantial profits for the taxpayer and avoid future risk. With this transaction, we have advanced our goals of recovering TARP funds, protecting the taxpayer, and getting the government out of the business of owning stakes in private companies," said Tim Massad, Acting Assistant Secretary for Financial Stability.

Treasury received approximately 7.7 billion shares of Citigroup common stock at a price of \$3.25 per common share from the exchange offers in July 2009 in exchange for the \$25 billion in preferred stock received in connection with Citigroup's participation in the Capital Purchase Program. The exchange was part of exchange offers conducted by Citigroup to strengthen its capital base. Treasury had disposed of approximately 5.3 billion shares to date in at-the-market sales with an average price of \$4.05. Following the completion of the offering at \$4.35 per share, Treasury's average selling price for the entire 7.7 billion shares is \$4.14.

Treasury invested a total of \$45 billion in Citigroup pursuant to the TARP (and made a \$5 billion commitment under the Asset Guarantee Program that was never funded). With this offering, Treasury has recovered all of the \$45 billion plus approximately \$12.0 billion in profits, consisting of dividends, interest and gain on the sale of Citigroup common stock and other securities.

| Citigroup Investment Summary (\$ in billions) | |
|---|---------------|
| Underwritten Offering of Common Shares (12/6/10) | \$10.5 |
| Completed Common Stock Trading Plans as of 12/6/10 | 21.3 |
| TruPS® Repayment (10/5/10) ¹ | 2.2 |
| Targeted Investment Program Repayment (12/9/09) | 20.0 |
| Interest and Dividends | 2.9 |
| Total Proceeds | \$57.0 |
| Total Investment | \$45.0 |
| Realized Gross Profit² | \$12.0 |

1. The entirety of Treasury's proceeds from this sale represents a profit to taxpayers, because Treasury did not incur any losses on the \$5bn in Citigroup assets it guaranteed in exchange for these TruPS®.

2. Excludes warrants from the CPP, TIP, and AGP investments and TruPS with an \$800mm principal value held by the FDIC for Treasury's benefit.

In addition, the taxpayer will ultimately receive proceeds from the sale of the warrants for Citigroup common stock received under TARP as well as the sale of up to \$800 million in TruPS® held by the Federal Deposit Insurance Corporation for Treasury's benefit.

The offering is expected to close on or about December 10, 2010. Morgan Stanley acted as bookrunning manager. The underwriting fees for this transaction will be paid by Citigroup.

The results of this underwritten offering will be posted on Treasury's TARP transaction report within two business days of its completion at www.financialstability.gov.

Copies of the prospectus supplement and accompanying prospectus relating to the offering may be obtained from Morgan Stanley & Co. Incorporated, Attn: Prospectus Department, 180 Varick Street, New York, NY 10014, by emailing prospectus@morganstanley.com or by calling toll-free in the United States 1-866-718-1649.

Note: Through an inadvertent error, a previous version of this release included an incorrect figure related to overall TARP funds. The release has been updated to correct this error.

