

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Announces Plan to Continue to Sell Citigroup Common Stock

10/19/2010

TG-915

WASHINGTON – The U.S. Department of the Treasury today announced its continued sale of its holdings of Citigroup common stock. Treasury has entered into a fourth pre-arranged written trading plan under which Morgan Stanley, as Treasury's sales agent, will have discretionary authority to sell 1.5 billion shares of Citigroup common stock under certain parameters.

Treasury invested a total of \$45 billion in Citigroup through the Troubled Asset Relief Program (TARP). To date, taxpayers have received a total of \$41.6 billion in revenue from this investment through repayments, dividends and interest, the sale of common stock, and the sale of other securities.

Treasury received 7.7 billion shares of Citigroup common stock last summer as part of the exchange offers conducted by Citigroup to strengthen its capital base. Treasury exchanged the \$25 billion in preferred stock it received in connection with Citigroup's participation in the Capital Purchase Program for common shares at a price of \$3.25 per common share. On September 30, Treasury announced the completion of its sale of a total of approximately 4.1 billion shares of Citigroup common stock across three trading plans and its receipt of approximately \$16.4 billion in gross proceeds from the sale.

Treasury currently owns approximately 3.6 billion shares of Citigroup common stock and expects to continue selling its shares in the market in an orderly fashion. The sale of 1.5 billion additional shares of Citigroup common stock, as authorized pursuant to the fourth trading plan, would bring Treasury's holdings of Citigroup common stock to approximately 7 percent of total shares outstanding – down from a high of approximately 27 percent. It would also mean that Treasury had disposed of nearly three-quarters of its original 7.7 billion share common stock stake in Citigroup.

As part of the disposition program, Morgan Stanley agreed to provide opportunities for involvement by small broker-dealers, including minority- and women-owned broker-dealers. Morgan Stanley has entered into agreements with the following 12 broker-dealers: Cabrera Capital Markets, LLC; Great Pacific Securities, Inc.; Guzman & Company; Kaufman Bros., L.P.; Loop Capital Markets; M. Ramsey King Securities, Inc.; Mischler Financial Group; M.R. Beal & Company; Sturdivant & Co. Inc.; Valdés and Moreno, Inc.; The Williams Capital Group, L.P.; and Wm Smith & Co.

Because Treasury will not sell shares during the blackout period set by Citigroup in advance of its fourth quarter earnings release, which period is expected to begin on January 1, 2011, this fourth trading plan will terminate on December 31, 2010 even if all shares have not been sold by that time.

The offering will be made only by means of a prospectus. Morgan Stanley & Co. Incorporated is acting as a sales agent to Treasury. 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.

###

