

*The information in this Disclosure Supplement is not complete and may be changed. The final terms and conditions of the Market-Linked Certificates of Deposit offered by this Disclosure Supplement will be established on the Pricing Date (as defined below) and summarized in a final term sheet.*

CitiFirst  
PROTECTION



## Citibank, N.A.

### Market-Linked Certificates of Deposit

FDIC Insured Within the Limits and  
to the Extent Described in the Related  
Disclosure Statement Dated December 31, 2009

Linked to the Dow Jones Industrial Average<sup>SM</sup>  
Maturing March , 2016  
(expected to mature on or about March 29, 2016)

#### DISCLOSURE SUPPLEMENT (Related to the Disclosure Statement Dated December 31, 2009)

**Investing in the Market-Linked Certificates of Deposit involves a number of risks. See “Risk Factors” beginning on page S-9.**

**The Market-Linked Certificates of Deposit are not registered under the Securities Act of 1933, as amended, or any state securities law, and are not required to be so registered. The Market-Linked Certificates of Deposit have not been approved or disapproved by any federal or state securities commission or banking authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.**

The Market-Linked Certificates of Deposit offered hereby are obligations of Citibank only and are not obligations of any other company affiliated with Citibank, including Citigroup Global Markets Inc. or any other broker. In making an investment decision, you must rely on your own examinations of Citibank and the terms of this offering, including the merits and risks involved. You should not assume that the information included in this Disclosure Supplement and the accompanying Disclosure Statement is accurate as of any date other than the respective dates of those documents.

“Dow Jones Industrial Average<sup>SM</sup>” is a service mark of Dow Jones & Company, Inc. and has been licensed for use for certain purposes by Citibank’s affiliate, Citigroup Global Markets. The Market-Linked Certificates of Deposit have not been passed on by Dow Jones & Company, Inc. The Market-Linked Certificates of Deposit are not sponsored, endorsed, sold or promoted by Dow Jones & Company, Inc. and Dow Jones & Company, Inc. does not make any warranties or bear any liability with respect to the Market-Linked Certificates of Deposit.

February 24, 2010



## TABLE OF CONTENTS

	<u>Page</u>
<b>Disclosure Supplement</b>	
SUMMARY INFORMATION – Q&A .....	S-2
PRELIMINARY TERMS .....	S-8
KEY RISK FACTORS FOR THE DEPOSITS .....	S-9
TYPES OF DEPOSITORS .....	S-11
BENEFITS OF THE DEPOSITS .....	S-11
LIMITED EARLY WITHDRAWALS .....	S-11
DESCRIPTION OF DOW JONES INDUSTRIAL AVERAGE <sup>SM</sup> .....	S-12
HYPOTHETICAL FINAL INDEX RETURN PERCENTAGES AND HYPOTHETICAL MATURITY PAYMENTS .....	S-16
CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS .....	S-19
ERISA AND IRA PURCHASE CONSIDERATIONS .....	S-20
FEES AND HEDGING .....	S-20
ADDITIONAL CONSIDERATIONS .....	S-21
<b>Disclosure Statement</b>	
WHERE YOU CAN FIND MORE INFORMATION .....	4
CITIBANK, N.A. ....	5
DESCRIPTION OF THE DEPOSITS .....	6
RISK FACTORS RELATING TO THE DEPOSITS .....	9
PROVISIONS RELATING TO THE UNDERLYING BENCHMARK .....	20
EVIDENCE OF THE DEPOSITS .....	25
DEPOSIT INSURANCE .....	26
SECONDARY MARKET .....	31
CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS .....	32
ERISA MATTERS .....	36

# Citibank, N.A.

## Market-Linked Certificates of Deposit

### Linked to Dow Jones Industrial Average<sup>SM</sup>

### Maturing March , 2016

(expected to mature on or about March 29, 2016)

*This Disclosure Supplement contains a summary of the terms and conditions of the Market-Linked Certificates of Deposit Linked to Dow Jones Industrial Average<sup>SM</sup> Maturing March , 2016 (expected to mature on or about March 29, 2016) (the “Deposits”). We encourage you to read the information contained in this Disclosure Supplement and the accompanying Disclosure Statement for important additional information. The description of the Deposits below supplements, and to the extent inconsistent with, replaces, the description of the general terms of the Deposits set forth in the accompanying Disclosure Statement. Capitalized terms used in this Disclosure Supplement and not defined in the section “Preliminary Terms” below have the meanings given them in the accompanying Disclosure Statement.*

## Summary Information – Q&A

### What Are the Deposits?

The Deposits are a specific type of market-linked time deposit offered by Citibank that combine characteristics of equity investments and traditional certificates of deposit and have a maturity of approximately six years. Because the Deposits are bank deposits, your principal investment in the Deposits is protected if held to maturity. Any payment on the Deposits in excess of FDIC insurance limits is subject to the credit risk of Citibank N.A.

The Deposits pay an amount at maturity that will be based on the Final Index Return Percentage, which will equal the arithmetic average of the percentage change in the closing value of the Underlying Index from the Pricing Date to each of nine Valuation Dates. If the Final Index Return Percentage is greater than 0%, at maturity you will receive for each \$1,000 principal amount deposited \$1,000 plus a positive return equal to the product of (a) \$1,000 and (b) the Final Index Return Percentage, subject to a maximum total return on the Deposits of 40% to 50% (or an annual percentage yield of approximately 5.77% to 6.99%) (to be determined on the Pricing Date) of the principal amount deposited. If, however, the Final Index Return Percentage is less than or equal to 0%, at maturity you will receive only your initial deposit amount and the return on your Deposits will be zero.

The Deposits will be issued in the form of one or more master certificates, which will be held by or on behalf of The Depository Trust Company. You should refer to “Evidence of the Deposits” in the accompanying Disclosure Statement. The minimum deposit amount for the Deposits is \$1,000 and you may deposit additional funds and transfer the Deposits only in multiples of \$1,000.

Reference is made to the accompanying Disclosure Statement for a detailed summary of additional provisions of the Deposits.

### Will I Receive Periodic Interest on the Deposits?

No. We will not make any periodic payments of interest on the Deposits or any other periodic payments on the Deposits. In addition, you will not be entitled to receive dividend payments or other distributions, if any, made on the stocks included in the Underlying Index. **The return on the Deposits may be zero.**

### **Will I Be Permitted to Redeem My Deposit Before Maturity?**

No, you will not be permitted to redeem your Deposit before maturity. The provisions regarding the possibility of periodic early redemption included in the accompanying Disclosure Statement do not apply to the Deposits.

### **Will I Be Permitted to Withdraw My Deposit Before Maturity Without Penalty?**

Early withdrawals in whole, but not in part, will be permitted for 100% of the principal amount of the Deposits, without deduction of any fee, only in the event of the death or adjudication of incompetence of a beneficial owner of the Deposit. See “Limited Early Withdrawals” below for more information.

### **What Will I Receive at Maturity of the Deposits?**

The Deposits have a term of approximately six years and will mature on March , 2016 (expected to mature on or about March 29, 2016). If you hold your Deposit to maturity, you will receive at maturity for each \$1,000 principal amount deposited an amount in cash equal to \$1,000 plus a Deposit Return Amount, which may be positive or zero. Because the maximum total return over the term of the Deposits is limited to 40% to 50% (or an annual percentage yield of approximately 5.77% to 6.99%) (to be determined on the Pricing Date) of the principal amount deposited, in no circumstance will the payment you receive at maturity be more than \$1,400 to \$1,500 (to be determined on the Pricing Date) for each \$1,000 principal amount deposited.

### **How Will the Deposit Return Amount Be Calculated?**

The Deposit Return Amount will be based on the Final Index Return Percentage and may be positive or zero. The Final Index Return Percentage will equal the arithmetic average of the percentage change in the closing value of the Underlying Index from the Pricing Date to each of nine Valuation Dates. Thus, the Deposit Return Amount for each \$1,000 principal amount deposited will equal the product of (a) \$1,000 and (b) the Final Index Return Percentage, subject to a maximum total return on the Deposits of 40% to 50% (or an annual percentage yield of approximately 5.77% to 6.99%) (to be determined on the Pricing Date) of the principal amount deposited, provided that the Deposit Return Amount will not be less than zero.

The Final Index Return Percentage will equal the sum of the Index Return Percentages divided by nine.

Each Index Return Percentage will equal the percentage change in the closing value of the Underlying Index from the Pricing Date to the relevant Valuation Date expressed as the following fraction:

$$\frac{\text{Ending Value} - \text{Starting Value}}{\text{Starting Value}}$$

The Starting Value will equal the closing value of the Underlying Index on the Pricing Date.

The Ending Value will equal the closing value of the Underlying Index on the relevant Valuation Date.

The Pricing Date is March , 2010 (expected to price on or about March 25, 2010), the date on which the Deposits are initially priced for sale to the public.

The Valuation Dates will be March , 2014; June , 2014; September , 2014; December , 2014; March , 2015; June , 2015; September , 2015; December , 2015; and March , 2016 (expected to be: March 25, 2014; June 25, 2014; September 25, 2014; December 26, 2014; March 25, 2015; June 25, 2015; September 25, 2015; December 28, 2015; and March 23, 2016).

For more specific information about the Deposit Return Amount, the determination of an index business day and the effect of a market disruption event on the determination of the Deposit Return Amount, see the section “Description of the Deposits – Provisions Relating to the Underlying Benchmark” in the accompanying Disclosure Statement.

## **Where Can I Find Examples of Hypothetical Final Index Return Percentages and Hypothetical Returns at Maturity?**

For tables setting forth hypothetical Final Index Return Percentages and hypothetical returns at maturity, see “Hypothetical Final Index Return Percentages and Hypothetical Maturity Payments” below.

## **Are the Deposits FDIC Insured?**

The principal amount of any Deposit is insured by the Federal Deposit Insurance Corporation (the “FDIC”) within the limits and to the extent described in the accompanying Disclosure Statement in the section “Deposit Insurance” – generally, up to \$250,000 through December 31, 2013 only and \$100,000 after December 31, 2013 per depositor in each insurable capacity (e.g., individual, joint account, etc.) with Citibank, and up to \$250,000 per participant in the case of certain “self-directed” retirement accounts deposited with Citibank. These FDIC insurance limits are effective as of the date of this Disclosure Supplement and could change during the term of the Deposits. The Deposits will be insured up to applicable FDIC insurance limits effective from time to time.

However, any principal amount of Deposits that is in excess of \$250,000 or \$100,000, as applicable, or which, together with other deposits you maintain at Citibank in the same insurable capacity, is in excess of such limits, will not be eligible for FDIC insurance and, as an “uninsured deposit,” is subject to the credit risk of Citibank. Additionally, because the Deposit Return Amount is calculated using the arithmetic average of the percentage change in the closing value of the Underlying Index from the Pricing Date to each of nine Valuation Dates, the Deposit Return Amount will not accrue to a holder of a Deposit until the last Valuation Date. Accordingly, any potential Deposit Return Amount will not be eligible for FDIC insurance prior to the last Valuation Date and is subject to the credit risk of Citibank.

## **Who Publishes the Dow Jones Industrial Average<sup>SM</sup> and What Does It Measure?**

Unless otherwise stated, all information on the Dow Jones Industrial Average<sup>SM</sup> provided in this Disclosure Supplement is derived from Dow Jones Company, Inc., which we refer to as Dow Jones, or other publicly available sources.

The Dow Jones Industrial Average<sup>SM</sup> is published by Dow Jones & Company, Inc. The Dow Jones Industrial Average<sup>SM</sup> is a price-weighted index, which means an underlying stock’s weight in the Dow Jones Industrial Average<sup>SM</sup> is based on its price per share rather than the total market capitalization of the issuer. The Dow Jones Industrial Average<sup>SM</sup> is designed to provide an indication of the composite performance of 30 common stocks of corporations representing a broad cross-section of U.S. industry. The underlying stocks of the Dow Jones Industrial Average<sup>SM</sup> are selected by the editors of *The Wall Street Journal*. The corporations represented in the Dow Jones Industrial Average<sup>SM</sup> tend to be market leaders in their respective industries and their stocks are typically widely held by individuals and institutional investors. Changes in the composition of the Dow Jones Industrial Average<sup>SM</sup> are made entirely by the editors of *The Wall Street Journal* without consultation with the corporations represented in the Dow Jones Industrial Average<sup>SM</sup>, any stock exchange, any official agency or Citigroup Funding Inc. Although changes to the common stocks included in the Dow Jones Industrial Average<sup>SM</sup> tend to be made infrequently, the underlying stocks of the Dow Jones Industrial Average<sup>SM</sup> may be changed at any time for any reason. The corporations currently represented in the Dow Jones Industrial Average<sup>SM</sup> are incorporated in the United States and its territories and their stocks are listed on the New York Stock Exchange.

The value of the Dow Jones Industrial Average<sup>SM</sup> is the sum of the primary exchange prices of each of the 30 common stocks included in the Dow Jones Industrial Average<sup>SM</sup> divided by a divisor that is designed to provide a meaningful continuity in the value of the Dow Jones Industrial Average<sup>SM</sup>. Because the Dow Jones Industrial Average<sup>SM</sup> is price-weighted, stock splits or changes in the underlying stocks could result in distortions in the Dow Jones Industrial Average<sup>SM</sup> value. In order to prevent such distortions related to extrinsic factors, the divisor may be changed in accordance with a mathematical formula that reflects adjusted proportions within the Dow Jones Industrial Average<sup>SM</sup>. The current divisor of the Dow Jones Industrial

Average<sup>SM</sup> is published daily in The Wall Street Journal and other publications. In addition, other statistics based on the Dow Jones Industrial Average<sup>SM</sup> may be found in a variety of publicly available sources.

Please note that an investment in the Deposits does not entitle you to any dividends, voting rights or any other ownership or other interest in respect of the stocks included in the Dow Jones Industrial Average<sup>SM</sup>.

### **How Has Dow Jones Industrial Average<sup>SM</sup> Performed Historically?**

We have provided tables showing the high and low closing values of Dow Jones Industrial Average<sup>SM</sup> for each month in the period from January 3, 2005 to February 23, 2010 as well as a graph showing the daily closing values of Dow Jones Industrial Average<sup>SM</sup> from January 3, 2005 to February 23, 2010. You can find the table and the graph in the section “Description of Dow Jones Industrial Average<sup>SM</sup>” below. We have provided this historical information to help you evaluate the behavior of the Underlying Index in recent years. However, past performance is not indicative of how the Underlying Index will perform in the future. You should also refer to the section “Risk Factors Relating to the Deposits – The Historical Performance of the Underlying Benchmark Is Not an Indication of the Future Performance of the Underlying Benchmark” in the accompanying Disclosure Statement.

### **What Are the U.S. Federal Income Tax Consequences of Investing in the Deposits?**

The Deposits will be treated by Citibank as contingent payment debt obligations of Citibank, and by accepting a Deposit each holder agrees to this treatment of the Deposits. Special U.S. federal income tax rules apply to contingent payment debt obligations. Under these rules, although depositors will receive no payments with respect to the Deposits before maturity, a U.S. Depositor will be required to accrue interest income on the Deposits regardless of whether the U.S. Depositor uses the cash or accrual method of tax accounting. If, at maturity, a U.S. Depositor receives actual payments with respect to the Deposits that in the aggregate are more than (or less than) the total amount of projected payments for the taxable year in which maturity occurs, the U.S. Depositor will have additional (or a reduced amount of) interest income for that year. Accordingly, in any taxable year, the U.S. Depositor’s taxable interest income in respect of the Deposits may be more than the cash that the U.S. Depositor receives. In addition, upon the sale, exchange or other disposition of a Deposit, including redemption of the Deposit at maturity, a U.S. Depositor generally will be required to treat any gain recognized upon the disposition of the Deposit as ordinary income rather than capital gain.

You should refer to the section “Certain U.S. Federal Income Tax Considerations” below and in the accompanying Disclosure Statement for more information.

### **Will the Deposits Be Listed on a Stock Exchange?**

The Deposits will not be listed on any exchange.

### **Will I Be Able to Sell My Deposits Before Maturity?**

There is currently no secondary market for the Deposits and Citibank will not make such a market. Although Citigroup Global Markets, Citibank’s affiliate and the broker for the Deposits, may make a market in the Deposits, it is not obligated to do so and may discontinue its market-making at any time. Even if a secondary market does develop, it may not be liquid and may not continue for the term of the Deposits. Because we do not expect that other market makers will participate significantly in any secondary market for the Deposits, the price at which you may be able to sell your Deposits is likely to depend on the price, if any, at which Citigroup Global Markets is willing to transact. If at any time Citigroup Global Markets does not act as market maker, it is likely there would be little or no secondary market for the Deposits. See “Key Risk Factors for the Deposits – No Exchange Listing; Lack of Liquidity” below and “Risk Factors Relating to the Deposits – You May Not Be Able to Sell Your Deposits if an Active Trading Market for the Deposits Does Not Develop” and “Secondary Market” in the accompanying Disclosure Statement.

### **Can You Tell Me More about Citibank?**

Citibank, N.A. was originally organized on June 16, 1812, and now is a national banking association organized under the National Bank Act of 1864. Citibank is an indirect wholly-owned subsidiary of Citigroup Inc., a Delaware holding company. Citibank is a commercial bank that, along with its subsidiaries and affiliates, offers a wide range of banking and trust services to its customers throughout the United States and the world.

As a national bank, Citibank is a regulated entity permitted to engage only in banking and activities incidental to banking. Citibank's earnings may be affected by certain monetary policies of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"). Citibank is primarily regulated by the Office of the Comptroller of the Currency (the "Comptroller"), which also examines its loan portfolios and reviews the sufficiency of its allowance for credit losses. Citibank's deposits at its U.S. branches are insured by the Federal Deposit Insurance Corporation and are subject to FDIC insurance assessments.

Citibank will also act as Calculation Agent for the Deposits. Potential conflicts of interest may exist between Citibank and you as a depositor in the Deposits. You should refer to "Key Risk Factors for the Deposits – Fees and Conflicts" below and "Risk Factors Relating to the Deposits – Citibank is the Calculation Agent, Which Could Result in a Conflict of Interest" in the accompanying Disclosure Statement.

### **What Is the Role of Citibank's Affiliate, Citigroup Global Markets Inc.?**

Citibank's affiliate, Citigroup Global Markets Inc., is the broker for the Deposits. Citibank has agreed to pay Citigroup Global Markets and other brokers a placement fee of up to 3.50% of the Deposit Amount per each Deposit placed (\$35.00 per \$1,000 principal amount deposited). Selected dealers, including Morgan Stanley Smith Barney LLC, an affiliate of Citigroup Global Markets, and their financial advisors will collectively receive from Citigroup Global Markets up to 3.50% of the Deposit Amount per each Deposit sold (\$35.00 per \$1,000 principal amount deposited). Financial advisors employed by Citigroup Global Markets will also receive up to 3.50% of the Deposit Amount per each Deposit sold (\$35.00 per \$1,000 principal amount deposited).

### **Can You Tell Me More About the Effect of Hedging Activity?**

In anticipation of the sale of the Deposits, we expect one or more of our affiliates to enter into hedge transactions. This hedging activity will likely involve trading in one or more of the stocks included the Underlying Index or in other instruments, such as options, swaps or futures, based upon the Underlying Index or the stocks included in the Underlying Index. This hedging activity could affect the value of the Underlying Index and therefore the Deposit Return Amount as well as the value of the Deposits in any secondary market that develops. The costs of maintaining or adjusting this hedging activity could also affect the price at which our affiliate Citigroup Global Markets may be willing to purchase your Deposits in any secondary market. Moreover, this hedging activity may result in our affiliates receiving a profit, even if the Deposit Return Amount you receive at maturity is less than the interest you would receive on a standard time deposit of comparable maturity. You should refer to "Risk Factors Relating to the Deposits – The Value of the Deposits if Sold or Redeemed Prior to Maturity Will Depend on a Number of Factors and May Be Substantially Less Than the Amount You Originally Invest" in the accompanying Disclosure Statement.

### **Does ERISA Impose Any Limitations on Purchases of the Deposits?**

Employee benefit plans and other entities the assets of which are subject to the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974, Section 4975 of the Internal Revenue Code of 1986, as amended, or substantially similar federal, state or local laws, including individual retirement accounts, (which we call "Plans") will be permitted to purchase and hold the Deposits, provided that each such Plan shall by its purchase be deemed to represent and warrant that none of Citibank, its affiliates or any employee thereof manages the Plan or provides advice that serves as a primary basis for the Plan's decision to purchase, hold or dispose of the Deposits.

However, individual retirement accounts, individual retirement annuities and Keogh plans, as well as employee benefit plans that permit participants to direct the investment of their accounts, will not be permitted to purchase or hold the Deposits if the account, plan or annuity is for the benefit of an employee of Citigroup Global Markets or a family member and the employee receives any compensation (such as, for example, an addition to bonus) based on the purchase of Deposits by the account, plan or annuity. You should refer to the sections “ERISA and IRA Purchase Considerations” below and “ERISA Matters” in the accompanying Disclosure Statement for further information.

**Are There Any Risks Associated with My Investment?**

Yes, the Deposits are subject to a number of risks. Please refer to the sections “Key Risk Factors for the Deposits” below and “Risk Factors Relating to the Deposits” in the accompanying Disclosure Statement.

## Preliminary Terms

<b>Deposit Offeror:</b>	Citibank, N.A.
<b>Certificate of Deposit:</b>	Market-Linked Certificates of Deposit Linked to the Dow Jones Industrial Average <sup>SM</sup> Maturing March , 2016 (expected to mature on or about March 29, 2016).
<b>Pricing Date:</b>	March , 2010 (expected to price on or about March 25, 2010).
<b>Deposit Date:</b>	March , 2010 (expected to deposit on or about March 30, 2010).
<b>Maturity Date:</b>	March , 2016 (expected to mature on or about March 29, 2016).
<b>Deposit Amount:</b>	\$1,000 minimum deposit and integrals of \$1,000 thereafter.
<b>Principal Protection:</b>	100% if held on the Maturity Date.
<b>Underlying Index:</b>	Dow Jones Industrial Average <sup>SM</sup> .
<b>Periodic Interest:</b>	None.
<b>Maturity Payment:</b>	Deposit Amount plus a Deposit Return Amount, which may be positive or zero.
<b>Deposit Return Amount:</b>	For each \$1,000 Deposit Amount, an amount equal to the product of (a) \$1,000 and (b) the Final Index Return Percentage, subject to a maximum total return on the Deposits of 40% to 50% (or an annual percentage yield of approximately 5.77% to 6.99%) (to be determined on the Pricing Date) of the principal amount deposited, provided that the Deposit Return Amount will not be less than zero.
<b>Final Index Return Percentage:</b>	The sum of the Index Return Percentages divided by nine.
<b>Index Return Percentage:</b>	On each Valuation Date: $\frac{\text{Ending Value} - \text{Starting Value}}{\text{Starting Value}}$
<b>Starting Value:</b>	The closing value of the Underlying Index on the Pricing Date.
<b>Ending Value:</b>	The closing value of the Underlying Index on the relevant Valuation Date.
<b>Valuation Dates:</b>	March , 2014; June , 2014; September , 2014; December , 2014; March , 2015; June , 2015; September , 2015; December , 2015; and March , 2016 (expected to be: March 25, 2014; June 25, 2014; September 25, 2014; December 26, 2014; March 25, 2015; June 25, 2015; September 25, 2015; December 28, 2015; and March 23, 2016).
<b>Listing:</b>	The Deposits will not be listed on any exchange.
<b>Transferability:</b>	Only in multiples of \$1,000.
<b>Early Redemption:</b>	None.
<b>Early Withdrawal:</b>	An early withdrawal of 100% of the principal amount (without deduction of any fee) in the event of death or adjudication of incompetence of the beneficial owner of the Deposit.
<b>Early Withdrawal Agent:</b>	U.S. Bank National Association.
<b>Calculation Agent:</b>	Citibank, N.A.
<b>Sales Fee:</b>	Up to 3.50% of the Deposit Amount (\$35.00 per \$1,000 Deposit Amount) of which up to 3.50% (\$35.00 per \$1,000 Deposit Amount) will be the placement fee for Deposits sold by a Citigroup Global Markets or Morgan Stanley Smith Barney Financial Advisor.
<b>CUSIP:</b>	172986BM2.

## Key Risk Factors for the Deposits

*An investment in the Deposits involves significant risks. While some of the risk considerations are summarized below, please review the “Risk Factors Relating to the Deposits” section of the accompanying Disclosure Statement for a full description of risks.*

- *Possibility of No Appreciation.* The return on the Deposits, if any, will be based on the Final Index Return Percentage and may be zero. If the Final Index Return Percentage is less than or equal to 0%, the payment you receive at maturity will be limited to your initial deposit amount and your return on the Deposits will be zero. Because of the possibility of a zero return, the Deposits may provide less opportunity for return than an investment in the stocks included in the Underlying Index.
- *Negative Index Return Percentages May Offset Positive Index Return Percentages.* The Deposits provide for the payment at maturity of the Deposit Return Amount, which may be positive or zero and which will be based on the Final Index Return Percentage. The Final Index Return Percentage will equal the arithmetic average of the percentage change in the closing value of the Underlying Index from the Pricing Date to each of nine Valuation Dates. If the Ending Value of the Underlying Index decreases during one or more periods from the Pricing Date to the applicable Valuation Dates resulting in one or more negative Index Return Percentages, such negative Index Return Percentages could offset entirely any positive Index Return Percentages generated by increases in the Ending Value of the Underlying Index during one or more periods from the Pricing Date to the applicable Valuation Dates. If any negative Index Return Percentage Returns offset entirely any positive Index Return Percentage Returns, the Final Index Return Percentage will equal 0% and you will receive no return on your Deposits. Because of the possibility of a zero return, the Deposits may provide less opportunity for return than an investment in the stocks included in the Underlying Index.
- *Appreciation Will Be Limited.* Because the maximum total return on the Deposits is limited to 40% to 50% (or an annual percentage yield of approximately 5.77% to 6.99%) (to be determined on the Pricing Date) of the principal amount deposited, the Deposits may provide less opportunity for appreciation than an investment in the stocks included in the Underlying Index or an investment in an instrument that is directly linked to the Underlying Index but is not subject to the maximum total return.
- *No Periodic Payments.* You will not receive any periodic payments of interest or any other periodic payments on the Deposits. In addition, you will not be entitled to receive dividend payments or other distributions, if any, made on the stocks included in the Underlying Index.
- *Citibank, N.A.’s Credit Risk.* Any Deposit Amounts in excess of the maximum amount insured by the FDIC, as “uninsured deposits,” – generally, more than \$250,000 through December 31, 2013 only and \$100,000 after December 31, 2013 for all deposits held in the same insurable capacity with Citibank, N.A. and more than \$250,000 for all self-direct retirement accounts – will be subject to the credit risk of Citibank, N.A. These FDIC insurance limits are effective as of the date of this Disclosure Supplement and could change during the term of the Deposits. The Deposits will be insured up to applicable FDIC insurance limits effective from time to time. You are responsible for monitoring the total amount of deposits, including the Deposits, you hold in the same insurable capacity with Citibank, N.A.
- *The Yield on the Deposits May Be Lower Than the Yield on a Standard Time Deposit of Comparable Maturity.* The Deposits do not pay any periodic interest. As a result, if the Final Index Return Percentage is less than %, the yield on the Deposits will be less than that which would be payable on a standard Citibank certificate of deposit of comparable maturity bearing a fixed interest rate. Furthermore, if the Final Index Return Percentage is less than or equal to 0%, the return on the Deposits will be zero.
- *FDIC Insurance Will Not Cover the Deposit Return Amount Until the Last Valuation Date.* Because the Deposit Return Amount, if positive, is calculated using the arithmetic average of the percentage change in the closing value of the Underlying Index from the Pricing Date to each of nine Valuation Dates, the Deposit Return Amount will not accrue to a holder of a Deposit until the last Valuation Date.

Accordingly, any potential Deposit Return Amount will not be eligible for federal deposit insurance prior to the last Valuation Date. Any amounts not covered by FDIC insurance are subject to the credit risk of Citibank, N.A.

- *Any Amounts Deposited with Citibank in Excess of the Applicable Maximum Insured Amount Are Not Covered by FDIC Insurance.* You are responsible for monitoring the total amount of deposits, including the Deposits, you hold in the same insurable capacity with Citibank. Any amounts in excess of the maximum amount insured by the FDIC, as “uninsured deposits,” – generally, more than \$250,000 through December 31, 2013 only and \$100,000 after December 31, 2013 for all deposits and more than \$250,000 for all self-directed retirement accounts – will be subject to the credit risk of Citibank. These FDIC insurance limits are effective as of the date of this Disclosure Supplement and could change during the term of the Deposits. The Deposits will be insured up to applicable FDIC insurance limits effective from time to time. Except to the extent insured by the FDIC as described in the accompanying Disclosure Statement, the Deposits are not otherwise insured by any governmental agency or instrumentality or any other person.
- *No Exchange Listing; Lack of Liquidity.* The Deposits will not be listed on any exchange. There is currently no secondary market for the Deposits and Citibank, N.A. will not make such a market. Although Citigroup Global Markets may make a market in the Deposits, it is not obligated to do so. Even if a secondary market does develop, it may not be liquid and may not continue for the term of the Deposits. Because we do not expect that other market makers will participate significantly in the secondary market for the Deposits, the price at which you may be able to sell your Deposits is likely to depend on the price, if any, at which Citigroup Global Markets is willing to transact. If at any time Citigroup Global Markets does not act as market maker, it is likely there would be little or no secondary market for the Deposits. The Deposits offered hereby are designed to be held until maturity. **Only Deposits held to the Maturity Date will be entitled to a return of the full Deposit Amount at maturity, subject to the early withdrawal rules providing for principal protection in the event of death or incompetence.**
- *No Principal Protection Unless You Hold the Deposits to Maturity.* The market value of Deposits in any secondary market may be below your initial Deposit Amount due to, among other things, limited secondary market trading, changes in the value of the Underlying Index, interest rates, the earnings performance of the issuers of the stocks included in the Underlying Index and other economic conditions. Thus, you could receive substantially less than your initial Deposit Amount if you sell your Deposits prior to maturity.
- *Fees and Conflicts.* Citibank, N.A., Citigroup Global Markets and its affiliates involved in this offering are expected to receive compensation for activities and services provided in connection with the Deposits. Further, Citibank, N.A. expects to hedge its obligations under the Deposits through the trading of the stocks included in the Underlying Index or derivative instruments related to the Underlying Index by one or more of its affiliates. Each of Citibank, N.A.’s or its affiliates’ hedging activities and Citibank, N.A.’s role as Calculation Agent for the Deposits may result in a conflict of interest.

## Types of Depositors

The Deposits are not a suitable investment for depositors who require regular fixed income payments since no interest payments or investment returns, if any, will be paid prior to the maturity of the Deposits. These Deposits may be an appropriate investment for the following types of investors:

- Depositors looking for exposure to equity investments on a principal-protected basis who expect that the arithmetic average of the percentage change in the closing value of the Underlying Index from the Pricing Date to each of nine Valuation Dates will be greater than 0%.
- Depositors who seek to add an equity index-linked investment to their portfolio for diversification purposes since an investment in the Deposits may outperform the performance of fixed income securities in a moderate equity market environment.

## Benefits of the Deposits

- *Limited Participation in Potential Increase in Value of Underlying Index.* If held to maturity, the Deposits allow depositors to potentially gain from a positive average percentage change in the closing value of the Underlying Index from the Pricing Date to each of nine Valuation Dates, subject to a maximum total return on the Deposits.
- *Principal Preservation.* If you hold your Deposit to maturity, at maturity you will receive at least your initial Deposit Amount regardless of the Ending Value of the Underlying Index on any Valuation Date, subject to the credit risk of Citibank N.A. and applicable FDIC insurance limits.
- *Diversification Potential.* The Deposits are linked to the Underlying Index and may allow you to diversify an existing portfolio mix of deposits, stocks, bonds, mutual funds and cash.

## Limited Early Withdrawals

Early withdrawals in whole, but not in part, will be permitted for 100% of the principal amount of the Deposits only in the event of the death of the beneficial owner of a Deposit or the adjudication of incompetence of any such beneficial owner by a court or other administrative body of competent jurisdiction. In such event, provided that prior written notice of such proposed withdrawal has been given to your broker and the Early Withdrawal Agent, together with appropriate documentation to support such request as determined by the Early Withdrawal Agent and Citibank, Citibank will permit withdrawal of all Deposits held by such beneficial owner. Such beneficial owner must have beneficially owned the Deposits being submitted for early withdrawal (a) at the time of his or her death or adjudication of incompetence and (b) since the initial deposit date of the Deposits.

The amount payable by Citibank on any Deposits upon early withdrawal will equal 100% of the principal amount of the withdrawn Deposits only. No partial withdrawals will be permitted. The Early Withdrawal Agent will process early withdrawal requests on the 1st Business Day of each March and September, commencing September 1, 2010. The principal amount of the withdrawn Deposits will be paid only after such withdrawal requests have been processed and approved by the Early Withdrawal Agent, in its sole discretion.

You can obtain more information regarding exercise of an early withdrawal from your broker or from the Early Withdrawal Agent, which is U.S. Bank National Association Corporate Trust Services at 100 Wall Street, 16th Floor, New York (telephone: 212-361-2893), during normal business hours. Please note if you hold your Deposits through a brokerage account, you will need to contact your broker to exercise any early withdrawal.

## Description of Dow Jones Industrial Average<sup>SM</sup>

### General

Unless otherwise stated, we have derived all information regarding the Dow Jones Industrial Average<sup>SM</sup> provided in this Disclosure Supplement, including its composition, method of calculation and changes in components, from Dow Jones, publicly available sources and other sources we believe to be reliable. Such information reflects the policies of, and is subject to change by, Dow Jones. Dow Jones is under no obligation to continue to publish, and may discontinue or suspend the publication of, the Dow Jones Industrial Average<sup>SM</sup> at any time. None of Citigroup Inc., Citigroup Funding, Citigroup Global Markets or the trustee assumes any responsibility for the accuracy or completeness of any information relating to the Dow Jones Industrial Average<sup>SM</sup>.

The Dow Jones Industrial Average<sup>SM</sup> is a benchmark of performance for leading companies in the U.S. stock market. The index consists of 30 “blue-chip” U.S. stocks, although this has not always been the case. The index initially consisted of twelve common stocks and was first published in The Wall Street Journal in 1896. The index was increased to include 20 common stocks in 1916 and to 30 common stocks in 1928. The number of common stocks in the index has remained at 30 since 1928, and, in an effort to maintain continuity, the constituent corporations represented in the index have been changed on a relatively infrequent basis.

The Dow Jones Industrial Average<sup>SM</sup> is a price-weighted index (i.e., the weight of an underlying stock in the index is based on its price per share rather than the total market capitalization of the issuer of such component stock) comprised of 30 common stocks chosen by the editors of The Wall Street Journal from companies outside of the transportation or utility business that are representative of the broad market of U.S. industry. The corporations represented in the Dow Jones Industrial Average<sup>SM</sup> tend to be leaders within their respective industries and their stocks are typically widely held by individuals and institutional investors. Changes in the composition of the index are made entirely by the editors of The Wall Street Journal without consultation with the corporations represented in the index, any stock exchange, any official agency or Citigroup Funding Inc. Changes to the common stocks included in the index tend to be made infrequently. Historically, most substitutions have been the result of mergers, but from time to time, changes may be made to achieve what the editors of The Wall Street Journal deem to be a more accurate representation of the broad market of U.S. industry. In choosing a new corporation for the Dow Jones Industrial Average<sup>SM</sup>, the editors of The Wall Street Journal look for leading industrial companies with a successful history of growth and wide interest among investors. The component stocks of the index may be changed at any time for any reason. Dow Jones, publisher of The Wall Street Journal, is not affiliated with Citigroup Funding Inc. and has not participated in any way in the offering of the Deposits.

The value of the Dow Jones Industrial Average<sup>SM</sup> is the sum of the primary exchange prices of each of the 30 common stocks included in the index, divided by a divisor that is designed to provide meaningful continuity in the value of the index. Because the index is price-weighted, stock splits or changes in the component stocks could result in distortions in the index value. In order to prevent such distortions related to extrinsic factors, the divisor is changed in accordance with a mathematical formula that reflects adjusted proportions within the index. The current divisor of the index is published daily in The Wall Street Journal and other publications. In addition, other statistics based on the index may be found in a variety of publicly available sources.

**THE DOW JONES INDUSTRIAL AVERAGE<sup>SM</sup> DOES NOT REFLECT THE PAYMENT OF DIVIDENDS ON THE STOCKS UNDERLYING IT AND THEREFORE THE RETURN ON THE DEPOSITS WILL NOT PRODUCE THE SAME RETURN YOU WOULD RECEIVE IF YOU WERE TO PURCHASE SUCH UNDERLYING STOCKS AND HOLD THEM UNTIL THE MATURITY DATE.**

## Historical Data on Dow Jones Industrial Average<sup>SM</sup>

### Monthly High and Low Closing Values

The following table sets forth the high and low closing values of the Dow Jones Industrial Average<sup>SM</sup> for each quarter in the period from January 3, 2005 through February 23, 2010. We obtained the closing value and other information below from Bloomberg Financial Markets. These historical data on the Dow Jones Industrial Average<sup>SM</sup> are not indicative of the future performance of the Dow Jones Industrial Average<sup>SM</sup> or what the market value of the Deposits may be. Any historical upward or downward trend in the value of the Dow Jones Industrial Average<sup>SM</sup> during any period set forth below is not an indication that the Dow Jones Industrial Average<sup>SM</sup> is more or less likely to increase or decrease at any time during the term of the Deposits.

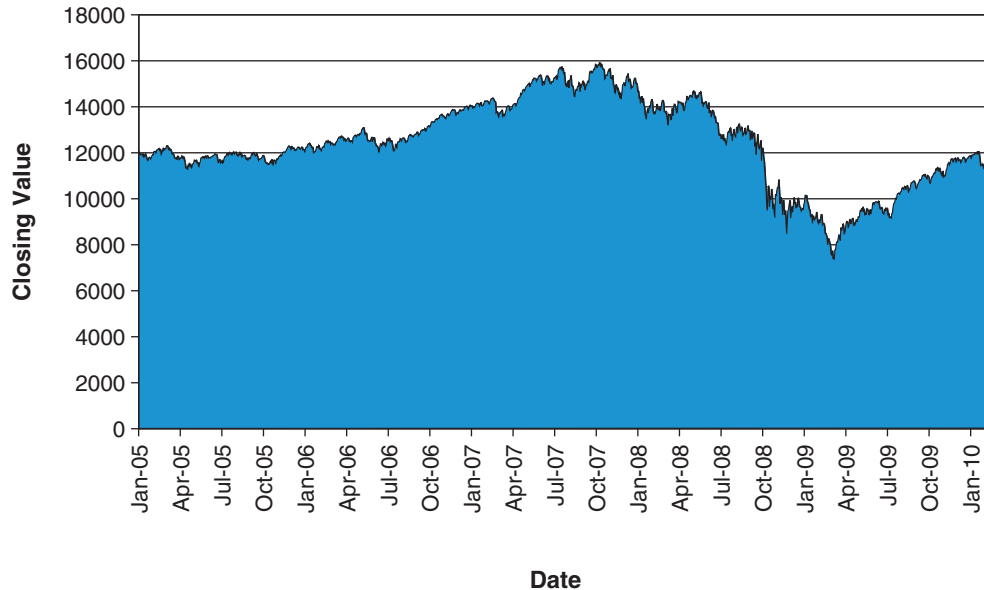
	<u>High</u>	<u>Low</u>
<b>2005</b>		
<b>Quarter</b>		
First . . . . .	10,940.55	10,368.61
Second . . . . .	10,623.07	10,012.36
Third . . . . .	10,705.55	10,270.68
Fourth . . . . .	10,931.62	10,215.22
<b>2006</b>		
<b>Quarter</b>		
First . . . . .	11,317.43	10,667.39
Second . . . . .	11,642.65	10,706.14
Third . . . . .	11,718.45	10,739.35
Fourth . . . . .	12,510.57	11,670.35
<b>2007</b>		
<b>Quarter</b>		
First . . . . .	12,786.64	12,050.41
Second . . . . .	13,676.32	12,382.30
Third . . . . .	14,000.41	12,845.78
Fourth . . . . .	14,164.53	12,743.44
<b>2008</b>		
<b>Quarter</b>		
First . . . . .	13,056.72	11,740.15
Second . . . . .	13,058.20	11,346.51
Third . . . . .	11,782.35	10,365.45
Fourth . . . . .	10,831.07	7,552.29
<b>2009</b>		
<b>Quarter</b>		
First . . . . .	9,034.69	6,547.05
Second . . . . .	8,799.26	7,761.60
Third . . . . .	9,829.87	8,146.52
Fourth . . . . .	10,548.51	9,487.67
<b>2010</b>		
<b>Quarter</b>		
First (through February 23) . . . . .	10,725.43	9,908.39

On February 23, 2010, the closing value of the Dow Jones Industrial Average<sup>SM</sup> was 10,282.41.

## Historical Graph

The following graph illustrates the historical performance of the Dow Jones Industrial Average<sup>SM</sup> based on the closing value thereof on each Index Business Day from January 3, 2005 through February 23, 2010. Past movements of the Dow Jones Industrial Average<sup>SM</sup> are not indicative of future Index values.

**Daily Closing Values of Dow Jones Industrial Average<sup>SM</sup>**



## License Agreement

Dow Jones and Citigroup Global Markets, an affiliate of Citibank, have entered into a non-exclusive license agreement providing for the license to Citigroup Global Markets and its affiliates, in exchange for a fee, of the right to use indices owned and published by Dow Jones in connection with certain financial instruments, including the Deposits.

The license agreement between Dow Jones and Citigroup Global Markets provides that the following language must be stated in this Disclosure Supplement.

“The Deposits are not sponsored, endorsed, sold or promoted by Dow Jones (including its affiliates) (Dow Jones, with its affiliates, is referred to as the “Corporations”). The Corporations have not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to, the Deposits. The Corporations make no representation or warranty, express or implied, to the owners of the Deposits or any member of the public regarding the advisability of investing in securities generally or in the Deposits particularly or the ability of the Dow Jones Industrial Average<sup>SM</sup> to track general stock market performance. The Corporations’ only relationship to Citigroup Global Markets Inc. and its affiliates the “Licensee”) is in the licensing of certain trademarks, trade names and service marks of Dow Jones and of the Dow Jones Industrial Average<sup>SM</sup>, which is determined, composed and calculated by Dow Jones without regard to the Licensee or the Deposits. Dow Jones has no obligation to take the needs of the Licensee or the owners of the Deposits into consideration in determining, composing or calculating the Dow Jones Industrial Average<sup>SM</sup>. The Corporations are not responsible for and have not participated in the determination of the timing of, prices at, or quantities of the Deposits to be issued or in the determination or calculation of the equation by which the Deposits are to be converted into cash. The Corporations have no liability in connection with the administration, marketing or trading of the Deposits.

THE CORPORATIONS DO NOT GUARANTEE THE ACCURACY AND/OR UNINTERRUPTED CALCULATIONS OF THE DOW JONES INDUSTRIAL AVERAGE<sup>SM</sup> OR ANY DATA INCLUDED

THEREIN. THE CORPORATIONS MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY THE LICENSEE, OWNERS OF THE DEPOSITS, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE DOW JONES INDUSTRIAL AVERAGE<sup>SM</sup> OR ANY DATA INCLUDED THEREIN. THE CORPORATIONS MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIM ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE DOW JONES INDUSTRIAL AVERAGE<sup>SM</sup> OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL THE CORPORATIONS HAVE ANY LIABILITY FOR ANY LOST PROFITS OR SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

All disclosures contained in this Disclosure Supplement regarding the Dow Jones Industrial Average<sup>SM</sup>, including its makeup, method of calculation and changes in its components, are derived from publicly available information prepared by Dow Jones. None of Citigroup Funding, Citigroup Inc., Citigroup Global Markets Inc. or the trustee assumes any responsibility for the accuracy or completeness of such information.

## Hypothetical Final Index Return Percentages and Hypothetical Maturity Payments

The Deposit Return Amount will be based on the Final Index Return Percentage, which will equal the arithmetic average of the percentage change in the closing value of the Underlying Index from the Pricing Date to each of nine Valuation Dates. Because the value of the Underlying Index may be subject to significant variations over the term of the Deposits, it is not possible to present a chart or table illustrating a complete range of possible Final Index Return Percentages or payments at maturity. The examples of hypothetical Final Index Return Percentages and maturity payments set forth below are intended to illustrate the effect of the different Ending Values of the Underlying Index on the Final Index Return Percentages and the return on the Deposits at maturity.

All of the hypothetical examples of the Final Index Return Percentages and maturity payments assume an investment in the Deposits of \$1,000, that the hypothetical Starting Value of the Underlying Index is 10,200, that the maximum total return on the Deposits is 45%, and that the Deposits have a term of six years.

### Hypothetical Final Index Return Percentages

#### Example A

The hypothetical Final Index Return Percentage is substantially greater than 0%.

	<b>Hypothetical Ending Value</b>	<b>Hypothetical Index Return Percentage<sup>(1)</sup></b>
First Valuation Date . . . . .	12,240.00	20.00%
Second Valuation Date . . . . .	13,260.00	30.00%
Third Valuation Date . . . . .	11,730.00	15.00%
Fourth Valuation Date . . . . .	13,260.00	30.00%
Fifth Valuation Date . . . . .	7,140.00	-30.00%
Sixth Valuation Date . . . . .	10,710.00	5.00%
Seventh Valuation Date . . . . .	11,220.00	10.00%
Eighth Valuation Date . . . . .	14,280.00	40.00%
Ninth Valuation Date . . . . .	10,200.00	0.00%
<b>Hypothetical Final Index Return Percentage<sup>(2)</sup></b> . . . . .		<b>13.33%</b>

(1) Hypothetical Index Return Percentage = (Hypothetical Ending Value – Hypothetical Starting Value) / Hypothetical Starting Value.

(2) Hypothetical Final Index Return Percentage = the sum of Hypothetical Index Return Percentages / nine.

Example B

The hypothetical Final Index Return Percentage is only slightly greater than 0%.

	<u>Hypothetical Ending Value</u>	<u>Hypothetical Index Return Percentage<sup>(1)</sup></u>
First Valuation Date . . . . .	12,240.00	20.00%
Second Valuation Date . . . . .	9,690.00	-5.00%
Third Valuation Date . . . . .	11,730.00	15.00%
Fourth Valuation Date . . . . .	13,260.00	30.00%
Fifth Valuation Date . . . . .	9,180.00	-10.00%
Sixth Valuation Date . . . . .	10,710.00	5.00%
Seventh Valuation Date . . . . .	11,220.00	10.00%
Eighth Valuation Date . . . . .	8,670.00	-15.00%
Ninth Valuation Date . . . . .	10,200.00	0.00%
<b>Hypothetical Final Index Return Percentage<sup>(2)</sup></b> . . . . .		<b>5.56%</b>

(1) Hypothetical Index Return Percentage = (Hypothetical Ending Value – Hypothetical Starting Value) / Hypothetical Starting Value.

(2) Hypothetical Final Index Return Percentage = the sum of Hypothetical Index Return Percentages / nine.

Example C

The hypothetical Final Index Return Percentage is greater than the hypothetical maximum total return of 45%.

	<u>Hypothetical Ending Value</u>	<u>Hypothetical Index Return Percentage<sup>(1)</sup></u>
First Valuation Date . . . . .	17,340.00	70.00%
Second Valuation Date . . . . .	13,260.00	30.00%
Third Valuation Date . . . . .	14,280.00	40.00%
Fourth Valuation Date . . . . .	15,300.00	50.00%
Fifth Valuation Date . . . . .	16,320.00	60.00%
Sixth Valuation Date . . . . .	17,340.00	70.00%
Seventh Valuation Date . . . . .	18,360.00	80.00%
Eighth Valuation Date . . . . .	12,240.00	20.00%
Ninth Valuation Date . . . . .	13,260.00	30.00%
<b>Hypothetical Final Index Return Percentage<sup>(2)</sup></b> . . . . .		<b>50.00%</b>

(1) Hypothetical Index Return Percentage = (Hypothetical Ending Value – Hypothetical Starting Value) / Hypothetical Starting Value.

(2) Hypothetical Final Index Return Percentage = the sum of Hypothetical Index Return Percentages / nine.

Example D

The hypothetical Final Index Return Percentage is less than 0%.

	<b>Hypothetical Ending Value</b>	<b>Hypothetical Index Return Percentage<sup>(1)</sup></b>
First Valuation Date .....	9,690.00	-5.00%
Second Valuation Date .....	8,976.00	-12.00%
Third Valuation Date .....	8,568.00	-16.00%
Fourth Valuation Date .....	9,690.00	-5.00%
Fifth Valuation Date .....	10,200.00	0.00%
Sixth Valuation Date .....	8,160.00	-20.00%
Seventh Valuation Date .....	9,078.00	-11.00%
Eighth Valuation Date .....	8,874.00	-13.00%
Ninth Valuation Date .....	11,016.00	8.00%
<b>Hypothetical Final Index Return Percentage<sup>(2)</sup></b> .....		<b>-8.22%</b>

(1) Hypothetical Index Return Percentage = (Hypothetical Ending Value – Hypothetical Starting Value) / Hypothetical Starting Value.

(2) Hypothetical Final Index Return Percentage = the sum of Hypothetical Index Return Percentages / nine.

**Hypothetical Maturity Payments**

<b>Hypothetical Final Index Return Percentage</b>	<b>Deposit Amount</b>	<b>Hypothetical Deposit Return Amount<sup>(1)</sup></b>	<b>Hypothetical Maturity Payment<sup>(2)</sup></b>	<b>Hypothetical Total Return on Deposits</b>
-70.00% .....	\$1,000.00	\$ 0.00	\$1,000.00	0.00%
-60.00% .....	\$1,000.00	\$ 0.00	\$1,000.00	0.00%
-50.00% .....	\$1,000.00	\$ 0.00	\$1,000.00	0.00%
-40.00% .....	\$1,000.00	\$ 0.00	\$1,000.00	0.00%
-30.00% .....	\$1,000.00	\$ 0.00	\$1,000.00	0.00%
-20.00% .....	\$1,000.00	\$ 0.00	\$1,000.00	0.00%
-10.00% .....	\$1,000.00	\$ 0.00	\$1,000.00	0.00%
0.00% .....	\$1,000.00	\$ 0.00	\$1,000.00	0.00%
10.00% .....	\$1,000.00	\$100.00	\$1,100.00	10.00%
20.00% .....	\$1,000.00	\$200.00	\$1,200.00	20.00%
30.00% .....	\$1,000.00	\$300.00	\$1,300.00	30.00%
40.00% .....	\$1,000.00	\$400.00	\$1,400.00	40.00%
50.00% .....	\$1,000.00	\$450.00	\$1,450.00	45.00%
46.00% .....	\$1,000.00	\$450.00	\$1,450.00	45.00%
60.00% .....	\$1,000.00	\$450.00	\$1,450.00	45.00%
70.00% .....	\$1,000.00	\$450.00	\$1,450.00	45.00%

(1) Hypothetical Deposit Return Amount = \$1,000 \* the Hypothetical Final Index Return Percentage, subject to the hypothetical maximum total return of 45%, provided that the Hypothetical Deposit Return Amount will not be less than zero.

(2) Hypothetical Maturity Payment = \$1,000 + Hypothetical Deposit Return Amount.

As demonstrated by the table above, if the hypothetical Final Index Return Percentage is 0% or less, you will receive an amount at maturity equal to your initial deposit amount. If the hypothetical Final Index Return Percentage is greater than 0%, you will receive an amount at maturity that is greater than your initial deposit amount. In no event will you receive more than \$1,450 per \$1,000 deposit amount.

All examples are for purposes of illustration only. The actual Final Index Return Percentage and the Deposit Return Amount will be based on the actual Starting Value, Ending Values and maximum total return.

## Certain U.S. Federal Income Tax Considerations

The following summarizes certain federal income tax considerations for initial U.S. Depositors who hold the Deposits as capital assets. Depositors should refer to the accompanying Disclosure Statement related to this offering for additional information relating to U.S. federal income tax and consult their tax advisors in determining the tax consequences of an investment in the Deposits, including the application of state, local and other tax laws and the possible effects of changes in federal or other tax laws.

The Deposits will be treated by Citibank as contingent payment debt obligations of Citibank, and by accepting a Deposit each holder agrees to this treatment of the Deposits. Under this treatment, U.S. Depositors will be required to include original issue discount for U.S. federal income tax purposes (“OID”) in gross income (as ordinary income) on a constant yield basis over the term of the Deposits, although Depositors will receive no payments with respect to the Deposit before maturity and regardless of whether the U.S. Depositor uses the cash or accrual method of tax accounting. This OID (computed at an assumed annual “comparable yield” of % , compounded semi-annually) generally will be reported to U.S. non-corporate Depositors on an IRS Form 1099. The comparable yield is based on a rate at which Citibank would issue a similar debt obligation with no contingent payments. Based upon the comparable yield, if a U.S. Depositor buys a Deposit at original issue for \$1,000 and holds it until maturity, such U.S. Depositor will be required to pay taxes on the following amounts of ordinary income from the Deposit for each of the following periods: \$ in 2010, \$ in 2011, \$ in 2012, \$ in 2013, \$ in 2014, \$ in 2015 and \$ in 2016 (subject to the adjustments described below).

The U.S. Treasury regulations governing contingent debt instruments require that Citibank provide to U.S. Depositors, solely for United States federal income tax purposes, a schedule of the projected amounts of payments, referred to as projected payments, on the Deposits. The payments set forth on that schedule must produce a total return on the Deposits equal to the comparable yield. The projected payment schedule for the Deposits projects a single payment at maturity equal to \$ per Deposit (the “Projected Payment Amount”).

*The comparable yield and the Projected Payment Amount are used to determine accruals of interest FOR TAX PURPOSES ONLY and are not assurances or predictions by Citibank with respect to the actual yield of or payment to be made in respect of a Deposit. The comparable yield and the Projected Payment Amount do not necessarily represent Citibank’s expectations regarding such yield or the amount of such payment.*

If the total amounts we actually pay at maturity are, in fact, less than this Projected Payment Amount, then a U.S. Depositor will have recognized taxable income in periods prior to maturity that exceeds that Depositor’s economic income from holding the Deposits during such periods. Such shortfall will be treated as an offset to any interest otherwise includible in income by the U.S. Depositor with respect to the Deposit for the taxable year in which maturity occurs, but only to the extent of the amount of such includible interest. Any remaining portion of such shortfall may be recognized and deducted by the U.S. Depositor as an ordinary loss to the extent of the U.S. Depositor’s previous OID inclusions with respect to the Deposit. If the total amounts we actually pay at maturity are, in fact, higher than the Projected Payment Amount, then a U.S. Depositor will be required to include such additional amount as ordinary income.

If a U.S. Depositor disposes of the Deposits, the U.S. Depositor will be required to treat any gain recognized upon the disposition of the Deposits as ordinary income (rather than capital gain). Any loss realized by a U.S. Depositor on a disposition will be treated as an ordinary loss to the extent of the U.S. Depositor’s OID inclusions with respect to the Deposit up to the date of disposition. Any loss realized in excess of such amount generally will be treated as a capital loss.

In the case of a holder of the Deposits that is not a U.S. person (a “Non-U.S. Depositor”), any payments made with respect to the Deposits and any gain realized upon the sale or other disposition of the Deposits generally will not be subject to U.S. income or withholding tax, provided that such payments and gain are not effectively connected with a U.S. trade or business of such holder. Further, if a Non-U.S. Depositor does not comply with applicable certification requirements (generally, an IRS form W-8BEN), such Non-U.S. Depositor may be subject to backup withholding.

Deposits beneficially owned by a Non-U.S. Depositor who at the time of death is neither a resident nor a citizen of the United States should not be subject to U.S. federal estate taxes.

*Recent Legislative Developments Potentially Affecting Taxation of Deposits Held By or Through Foreign Entities.* Proposed legislation recently introduced in the United States Congress would generally impose a withholding tax of 30 percent on interest income from the Deposits and the gross proceeds of a disposition of the Deposits paid to a foreign financial institution, unless such institution enters into an agreement with the U.S. government to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which would include certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners). The proposed legislation would also generally impose a withholding tax of 30 percent on interest income from the Deposits and the gross proceeds of a disposition of the Deposits paid to a non-financial foreign entity unless such entity provides the withholding agent with a certification identifying the direct and indirect U.S. owners of the entity. Under certain circumstances, a Non-U.S. Depositor might be eligible for refunds or credits of such taxes. Investors are encouraged to consult with their own tax advisors regarding the possible implications of this proposed legislation on their investment in the Deposits.

*U.S. Treasury Circular 230 Notice.* The tax discussions contained in this Disclosure Supplement were written for use in connection with the promotion or marketing of the transactions or matters addressed in this Disclosure Supplement. These discussions were not intended or written to be used, and cannot be used, for the purpose of avoiding U.S. tax penalties. Investors should consult their own tax advisors in determining the tax consequences to them of holding the Deposits, including the application to their particular situation of the U.S. tax issues discussed, as well as the application of state, local, foreign, or other tax laws.

*You should refer to the accompanying Disclosure Statement for additional information relating to U.S. federal income tax and should consult your own tax advisors to determine tax consequences particular to your situation.*

## ERISA and IRA Purchase Considerations

Employee benefit plans and other entities the assets of which are subject to the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974, as amended, Section 4975 of the Internal Revenue Code of 1986, as amended, or substantially similar federal, state or local laws, including individual retirement accounts, (“Plans”) will be permitted to purchase and hold the Deposits, provided that each such Plan shall by its purchase be deemed to represent and warrant that none of Citibank, N.A., its affiliates or any employee thereof manages the Plan or provides advice that serves as a primary basis for the Plan’s decision to purchase, hold or dispose of the Deposits. However, individual retirement accounts, individual retirement annuities and Keogh plans, as well as employee benefit plans that permit participants to direct the investment of their accounts, will not be permitted to purchase or hold the Deposits if the account, plan or annuity is for the benefit of an employee of Citigroup Global Markets or a family member and the employee receives any compensation (such as, for example, an addition to bonus) based on the purchase of Deposits by the account, plan or annuity.

The amount of deposit insurance to which Plans will be entitled and whether Deposits held by a Plan will be considered separately or aggregated with Deposits of Citibank, N.A. held in other Plans in determining the amount of deposit insurance such Plans are entitled to will vary depending on the type of Plan. See “Deposit Insurance – Retirement Plans and Accounts” and “ERISA Matters” in the accompanying Disclosure Statement for further information.

## Fees and Hedging

Under the arrangements established by Citigroup Global Markets and Citibank, Citigroup Global Markets will act as agent of Citibank for placing Deposits through brokers. Citibank has agreed to pay Citigroup Global Markets and other brokers a placement fee of up to 3.50% of the principal amount of each Deposit (\$35.00 per \$1,000 principal amount deposited). The placement fee for Deposits sold by Financial Advisors

employed by Citigroup Global Markets and Morgan Stanley Smith Barney LLC, an affiliate of Citigroup Global Markets, will be up to 3.50% of the principal amount of each Deposit (\$35.00 per \$1,000 principal amount deposited). The placement fee for other distributors may vary.

Prior to this offering, there has been no public market for the Deposits. There can be no assurance that the prices at which the Deposits will sell in the secondary market, if any, after this offering will not be lower than the price at which they are placed by Citigroup Global Markets or other brokers or that an active secondary market in the Deposits will develop and continue after this offering.

In anticipation of the sale of the Deposits, Citigroup Global Markets and other Citibank affiliates expect to enter into one or more swaps or other derivatives transactions. You should refer to the sections “Risk Factors Relating to the Deposits – The Value of the Deposits May Be Affected by Certain Purchases and Sales by Affiliates of Citibank” and “– Hedging Activity Could Result in a Conflict of Interest” in the accompanying Disclosure Statement.

## Additional Considerations

The transactions described herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any state securities law, and are not required to be so registered. Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Deposits or determined that this brochure is truthful or complete. Any representation to the contrary is a criminal offense.

If no closing value of the Underlying Index is available on the Valuation Date or on any date of determination, the Calculation Agent may determine such value in accordance with the procedures set forth in the accompanying Disclosure Statement. In addition, if the Underlying Index is discontinued, the Calculation Agent may determine the value by reference to a successor index or, if no successor index is available, in accordance with the procedures last used to calculate the value of the Underlying Index prior to any such discontinuance. You should refer to the sections “Provisions Relating to the Underlying Benchmark – Discontinuance of an Underlying Index” and “– Alteration of Method of Calculation of an Underlying Index” in the accompanying Disclosure Statement for more information.

## DISCLOSURE STATEMENT

### Citibank, N.A. PRINCIPAL-PROTECTED MARKET-LINKED CERTIFICATES OF DEPOSIT PROGRAM

#### General Terms of Deposits

The following terms will generally apply to the Principal-Protected Market-Linked Certificates of Deposit (the “Deposits”) that we, Citibank, N.A. (“Citibank”), will accept from time to time using this disclosure statement. We will include information on the specific terms of each offering of Deposits in a Disclosure Supplement to this disclosure statement that we will deliver to prospective depositors. You should read this disclosure statement and the accompanying Disclosure Supplement carefully before you invest. If the terms described in the applicable Disclosure Supplement are inconsistent with the terms specified in this disclosure statement, you should rely on the terms specified in the Disclosure Supplement. The final terms set forth in a final Disclosure Supplement will supersede the preliminary terms set forth in the related preliminary Disclosure Supplement. The Deposits will be made available through Citigroup Global Markets Inc. and other agents or brokers, as indicated in the accompanying Disclosure Supplement.

- Principal Protection:** At maturity, you will receive a payment equal to at least the principal amount of your Deposits.
- Additional Payment at Maturity:** A deposit return amount, if any, payable at maturity will be linked to one of the following: (i) shares of a company; (ii) shares of an Exchange Traded Fund (“ETF”); (iii) American Depositary Receipts (“ADRs”) representing shares of a company; (iv) commodities; (v) currencies; (vi) any other financial, economic or other measure or instrument, including interest rates; (vii) an index comprising any combination of one or more of (i) through (vi) above, including an equity index, commodity index or currency index; or (viii) a basket comprising any combination of one or more of (i) through (vii) above. We refer to each of (i) through (viii) above as an “Underlying Benchmark”.
- Periodic Interest, if any:** Fixed, variable, floating or indexed rates. Any variable, floating or indexed rate may be adjusted by adding or subtracting a specific spread or margin or by applying a spread factor. Any indexed rate may be linked to an Underlying Benchmark.
- Call Feature, if any:** The Deposits may be callable by Citibank in its discretion or may be subject to a mandatory call.
- Other Terms:** You should review “Description of the Deposits” below and the accompanying Disclosure Supplement for specific features that apply to your Deposits.

**Investing in the Deposits involves a number of risks. Consider carefully the information under “Risk Factors Relating to the Deposits” beginning on page 9 of this disclosure statement and “Risk Factors,” or equivalent section, of the Disclosure Supplement applicable to a particular offering of Deposits.**

The Deposits will be obligations of Citibank only and not obligations of your broker, Citigroup Global Markets Inc. or Citigroup Inc.

The principal amount of and accrued interest on any deposit is insured by the Federal Deposit Insurance Corporation (the “FDIC”) within the limits and to the extent described in this disclosure statement — generally, up to \$250,000 through December 31, 2013 only and \$100,000 after December 31, 2013 per depositor in each

insurable capacity (e.g., individual, joint account, etc.) with Citibank, N.A., and up to \$250,000 per participant in the case of certain self-directed retirement accounts deposited with Citibank, N.A. These FDIC insurance limits are effective as of the date of this disclosure statement and are subject to change. The Deposits will be insured up to applicable FDIC insurance limits effective from time to time. A depositor purchasing a principal amount of Deposits that is in excess of \$250,000 or \$100,000, as the case may be, or which, **together with other Deposits it maintains at Citibank in the same insurable capacity**, is in excess of such limits should not rely on the availability of deposit insurance with respect to such excess. In addition, periodic interest not yet accrued and/or the deposit return amount (as defined herein) payable at maturity, if any, may not be insured by the FDIC. Moreover, any secondary market premium paid by a depositor above the principal amount of the Deposits will not be insured by the FDIC.

December 31, 2009

**TABLE OF CONTENTS**

WHERE YOU CAN FIND MORE INFORMATION .....	4
CITIBANK, N.A. ....	5
DESCRIPTION OF THE DEPOSITS .....	6
RISK FACTORS RELATING TO THE DEPOSITS .....	9
PROVISIONS RELATING TO THE UNDERLYING BENCHMARK .....	20
EVIDENCE OF THE DEPOSITS .....	25
DEPOSIT INSURANCE .....	26
SECONDARY MARKET .....	31
CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS .....	32
ERISA MATTERS .....	36

## WHERE YOU CAN FIND MORE INFORMATION

This disclosure statement incorporates by reference the reports and other information that we have filed previously, or may file in the future, with the Comptroller of the Currency (the “Comptroller”). This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this disclosure statement, and information that we file later with the Comptroller will automatically update information in this disclosure statement. In all cases, you should rely on the later information over different information included in this disclosure statement or the Disclosure Supplement.

Citibank submits quarterly to the Comptroller certain reports called “Consolidated Reports of Condition and Income for a Bank With Domestic and Foreign Offices” (“Call Reports”). The Call Reports are on file with and publicly available at the Comptroller’s offices at 250 E Street, S.W., Washington, D.C. 20219 and are also available on the web site of the FDIC (<http://www.fdic.gov>). Each Call Report consists of a Balance Sheet, Income Statement, Changes in Equity Capital and other supporting schedules at the end of and for the period to which the report relates. The Call Reports are prepared in accordance with regulatory instructions issued by the Federal Financial Institutions Examination Council. While the Call Reports are supervisory and regulatory documents, not primarily accounting documents, and do not provide a complete range of financial disclosure about Citibank, the reports nevertheless provide important information concerning the financial condition and results of operations of Citibank. Citibank’s Call Report as of the close of business on September 30, 2009 is incorporated herein by reference. Any subsequent Call Reports filed by Citibank with the Comptroller until the later of (1) the completion of the offering of Deposits described in this disclosure statement and (2) the date the broker-dealer affiliates of Citibank stop offering Deposits pursuant to this disclosure statement are also incorporated herein by reference.

You may request a copy of any of these filings, at no cost, by writing or telephoning Citigroup Inc., the parent holding company of Citibank, at the following address:

Corporate Regulatory Reporting  
c/o Peter Bieszard  
909 3rd Ave.  
New York, NY 10022  
212-559-4118

## **CITIBANK, N.A.**

Citibank, N.A. was originally organized on June 16, 1812, and now is a national banking association organized under the National Bank Act of 1864. Citibank is an indirect wholly-owned subsidiary of Citigroup Inc., a Delaware holding company.

Citibank is a commercial bank that, along with its subsidiaries and affiliates, offers a wide range of banking and trust services to its customers throughout the United States and the world.

As a national bank, Citibank is a regulated entity permitted to engage only in banking and activities incidental to banking. Citibank's earnings may be affected by certain monetary policies of the Board of Governors of the Federal Reserve System. Citibank is primarily regulated by the Office of the Comptroller of the Currency (the "Comptroller"), which also examines its loan portfolios and reviews the sufficiency of its allowance for credit losses.

Citibank's Deposits at its U.S. branches are insured by the Federal Deposit Insurance Corporation (the "FDIC") and are subject to FDIC insurance assessments. Citibank may, under certain circumstances, be obligated for the liabilities of its affiliates that are FDIC-insured depository institutions. As of the date of this disclosure statement, Citibank's FDIC-insured depository affiliates include: Citibank (South Dakota), National Association; Citicorp Trust Bank, fsb; Department Stores National Bank; and Citibank (Banamex USA).

Under U.S. law, Deposits in U.S. offices and certain claims for administrative expenses and employee compensation against a U.S. insured depository institution which has failed will be afforded a priority over other general unsecured claims, including Deposits in non-U.S. offices and claims under non-depository contracts in all offices, against such an institution in the "liquidation or other resolution" of such an institution by any receiver. Such priority creditors (including the FDIC, as the subrogee of insured depositors) of such FDIC-insured depository institution will be entitled to priority over unsecured creditors in the event of a "liquidation or other resolution" of such institution.

The principal place of business of Citibank is 399 Park Avenue, New York, NY 10043, and its telephone number is (212) 559-1000.

## DESCRIPTION OF THE DEPOSITS

The following briefly summarizes the general terms of the Principal-Protected Market-Linked Certificates of Deposit (the “Deposits”) being offered by this Disclosure Statement. The Disclosure Supplement for each offering of Deposits will contain the specific information and terms for those Deposits. If any information in the Disclosure Supplement is inconsistent with this Disclosure Statement, you should rely on the information in the Disclosure Supplement. The Disclosure Supplement may also add, update or change information contained in this Disclosure Statement. It is important for you to consider the information contained in this Disclosure Statement and the applicable Disclosure Supplement in making your investment decision.

Prospective purchasers of Deposits should be aware of special United States federal income tax considerations applicable to instruments such as the Deposits. These tax considerations are described below in “Certain U.S. Federal Income Tax Consequences” and in the Disclosure Supplement relating to each offering of Deposits. The summary of United States federal income tax considerations contained herein and in the Disclosure Supplement are presented for informational purposes only, however, and not to be intended as legal or tax advice to prospective depositors. You are urged to consult your tax advisors before investing in any Deposits.

### General

Each Deposit you hold will have a maturity of at least seven calendar days and will entitle you to receive from Citibank at maturity a payment equal to at least the principal amount of your Deposits. The Deposits will mature on the date indicated in the applicable Disclosure Supplement. Unless otherwise specified in the applicable Disclosure Supplement, Deposits will not be automatically renewed or rolled over and interest on the Deposits, if any, will not continue to accrue, or, in the case of zero coupon Deposits, accrete, after maturity.

A Deposit Return Amount payable at maturity, if any, or the periodic interest payment, if any, will be determined by referring to a formula or methodology calculated on the basis of prices, values, rates, levels or other specified objective measures in respect of one of the following: (i) shares of a company; (ii) shares of an Exchange Traded Fund (“ETF”); (iii) American Depositary Receipts (“ADRs”) representing shares of a company; (iv) commodities; (v) currencies; (vi) any other financial, economic or other measure or instrument, including interest rates; (vii) an index comprising any combination of one or more of (i) through (vi) above, including an equity index, commodity index or currency index; or (viii) a basket comprising any combination of one or more of (i) through (vii) above. We refer to each of (i) through (viii) above as an “Underlying Benchmark”, provided that, depending on the specific Underlying Benchmark and for purposes of the accompanying Disclosure Supplement, the term Underlying Benchmark used in this Disclosure Statement may mean the “Underlying Equity”, the “Underlying Commodity”, the “Underlying Currency”, the “Underlying Index”, the “Underlying Basket”, or any other applicable term as defined in such Disclosure Supplement.

We refer to the applicable issuing company or ETF as the Underlying Issuer. We refer to the publisher of the applicable index, commodity, or currency as the Index Publisher, the Commodity Publisher or the Currency Publisher, respectively.

The Disclosure Supplement for a particular offering of Deposits will describe the formula or methodology to be applied to the relevant Underlying Benchmark to determine the Deposit Return Amount or periodic interest payment.

The Pricing Date means the date on which the particular offering of Deposits are priced for initial sale to the public, as specified in the applicable Disclosure Supplement.

The final Valuation Date or periodic Valuation Dates will be specified in the applicable Disclosure Supplement.

Deposits will be available with a variety of terms and features. The applicable Disclosure Supplement relating to any offering of Deposits will describe the following: the Maturity Date of the Deposits; the measure or measures by which the Deposit Return Amount, if any, will be determined; certain information regarding the Underlying Benchmark; the periodic interest rate and the method of computing the periodic interest rate, if applicable; the date or dates from which any interest will accrue, or how such dates will be determined, and the interest payment date or dates and any related record dates, if applicable; the currency or currencies in which the Deposits are denominated, and in which payments or distributions on the Deposits will be made; the amount of cash due, or the means by which the amount of cash due may be calculated, upon early redemption or withdrawal, if applicable, of the Deposits; the method by which the Deposits may be redeemed or withdrawn before maturity, if applicable; the terms under which the Deposits may be called by Citibank before maturity, if applicable; the terms of the mandatory call, if applicable; the time or times at which amounts will be payable or distributable in respect of the Deposits following an early redemption or withdrawal or call, if applicable; the method by which the Maturity Date of the Deposits may be extended by Citibank, if applicable; a discussion of certain United States federal tax considerations; and any other terms of such Deposits.

### **Fixed, Variable, Floating or Indexed Interest**

The Deposits may bear interest at a fixed rate, variable rate, floating rate, or indexed rate. Any variable rate, floating rate or indexed rate may be adjusted by adding or subtracting a specific spread or margin or by applying a spread factor. Any indexed rate may be linked to an Underlying Benchmark, as described above. In each case, interest, if any, will be computed as specified in the applicable Disclosure Supplement. Unless otherwise specified in the applicable Disclosure Supplement, interest on the Deposits will not be compounded.

### **Zero-Coupon Deposits**

Unless otherwise specified in the applicable Disclosure Supplement, any Deposits that are designated zero-coupon Deposits will not bear periodic interest but will be issued at a discount from the face or par amount. Interest on a zero-coupon Deposit will “accrete” at an established rate, and you will receive the par amount of such Deposit at maturity.

### **Additional Deposits**

After an initial deposit in the Deposits is made, no additional Deposits are permitted. When you purchase a Deposit, you agree with us to keep your funds on deposit for the complete term of the Deposit. Accordingly, unless otherwise provided in the applicable Disclosure Supplement, no early redemptions or withdrawals of Deposits will be available under any circumstances, including the death or adjudication of incompetence of any depositor.

### **Periodic Early Redemptions or Limited Early Withdrawals**

If the applicable Disclosure Supplement provides for periodic early redemptions or limited early withdrawals, including upon the death or adjudication of incompetence of any depositor, such Disclosure Supplement will set forth the procedure to be followed to early redeem your Deposits and the method for calculating the early redemption amount. Upon early redemption or withdrawal of a Deposit, the amount you receive may be less, and possibly significantly less, than the principal amount of your Deposit.

The amount you receive upon early redemption of the Deposits for each Deposit will equal the sum of a) the Market Value of the Deposits on the relevant minus b) the applicable Early Redemption Fee. The Market Value will equal the market value of Deposit on the redemption date, as determined in the sole discretion of the Calculation Agent. The Market Value will depend on a number of different factors, some of which are

interrelated in complex ways. Such factors include: (i) the level of the Underlying Benchmark; (ii) the implied volatility of the Underlying Benchmark; (iii) hedging activities related to the Deposits by one or more of our affiliates; (v) the U.S. interest rates; and (vi) the period of time between the relevant early redemption date and the Maturity Date. The Early Redemption Fee will decrease over the term of the Deposits and the various amounts of Early Redemption Fee will be specified in the applicable Disclosure Supplement.

**The amount you receive upon early redemption may be significantly less than the principal amount of your Deposits. Only Deposits held to maturity will be entitled to a return of 100% of the principal amount of the deposit at maturity, subject to the early withdrawal rules in the event of death or incompetence.**

In the event we were to fail between an early redemption date (as defined and specified in the applicable Disclosure Supplement) and the time you receive the early redemption amount (as defined and specified in the applicable Disclosure Supplement), the amount of the early redemption amount in excess of the principal amount of the Deposits, if any, will not be FDIC insured.

Early withdrawals in whole, but not in part, will be permitted for 100% of the principal amount of the Deposits only in the event of the death of the beneficial owner of a Deposit or the adjudication of incompetence of any such beneficial owner by a court or other administrative body of competent jurisdiction. Such beneficial owner must have beneficially owned the Deposits being submitted for early withdrawal (a) at the time of his or her death or adjudication of incompetence and (b) since the initial deposit date of the Deposits.

Please refer to the Disclosure Supplement applicable to a particular offering of Deposits for additional information regarding periodic early redemptions and limited early withdrawals.

#### **Early Call at the Option of Citibank and Mandatory Call**

If the applicable Disclosure Supplement provides for early call of the Deposits at our option or for mandatory call, such Disclosure Supplement will set forth the dates on which the Deposits may be called, the terms of the mandatory call, if applicable, the details of the notice of call that we will provide to you and the method for calculating the call price you will be entitled to receive. If the Deposits are paid off prior to maturity as a result of a call by Citibank your return could be less than the yield that the Deposits would have earned had they been held to maturity. If the Deposits are called prior to maturity as result of the mandatory call, you will receive only the applicable call price, plus accrued and unpaid interest, if any, and you will not receive any Deposit Return Amount.

In the event we were to fail between the time notice of call is given and the time you receive the call price (each, as described in the applicable Disclosure Supplement), the amount of the call price in excess of the principal amount of the Deposit, if any, will not be FDIC insured.

#### **Extendable Maturity at the Option of Citibank**

If the applicable Disclosure Supplement provides for the extendibility of the Maturity Date of the Deposits at our option, such Disclosure Supplement will set forth the exact dates on which the maturity of the Deposits may be extended and will describe the substance of the notice of extension that we will provide to you.

#### **Transferability**

You may transfer your Deposit, provided you follow the procedure required by your broker in order to ensure such transfer is reflected in your broker's records. The transfer of a Deposit will not be subject to any Early Redemption Fee, but you maybe required to pay an amount equal to any taxes or government charges payable in connection with such transfer.

## **RISK FACTORS RELATING TO THE DEPOSITS**

The purchase of the Deposits involves a number of significant risks. While some of the risk considerations are summarized below, please review the information under “Risk Factors,” or equivalent section, of the applicable Disclosure Supplement for specific risks with respect to a particular offering of Deposits.

### **The Return on Your Deposits May Be Zero**

The Deposits may not bear interest. Periodic interest payments, if any, may vary based upon the performance of the Underlying Benchmark and may be zero. Any deposit return amount payable at maturity will vary based upon the performance of the Underlying Benchmark and may be zero. Because of the possibility of a zero return or zero interest, the Deposits may provide less opportunity for return than an investment that would permit you to participate fully in the performance of the Underlying Benchmark (if the Underlying Benchmark is shares of a company, ETF shares, ADRs, commodities or currencies), or in the stocks, currencies or commodities comprised in the Underlying Benchmark (if the Underlying Benchmark is an ETF, an index or a basket).

### **No Principal Protection Unless You Hold the Deposits to Maturity or Call by us**

Except in particular circumstances entitling you to early withdrawal without penalty, you will be entitled to receive at least the full principal amount of your Deposits only if you hold the Deposits to maturity or call by us, if applicable. The value of the Deposits in the secondary market, if any, may fluctuate. Therefore, you may receive substantially less than your initial investment if you sell your Deposits in the secondary market, if any, prior to maturity.

### **The Yield on the Deposits May Be Lower Than the Yield on a Standard Certificate of Deposit of Comparable Maturity**

The terms of the Deposits differ from those of conventional certificates of deposit in that the Deposits may not bear interest or interest payments may vary based upon the performance of the Underlying Benchmark and may be zero. As a result, the effective yield on the Deposits may be less than that which would be payable on a standard Citibank certificate of deposit of comparable maturity bearing a fixed interest rate or variable interest rate. Even if you receive a deposit return amount at maturity such return may not compensate you for the loss in value due to inflation and other factors relating to the value of money over time.

### **You Will Not Receive Any Periodic Payments on the Deposits Unless Specified**

You will not receive any periodic payments of interest on the Deposits unless specified otherwise in the applicable Disclosure Supplement and according to the terms specified therein.

### **FDIC Insurance Will Not Cover the Deposit Return Amount, if any, Until the Relevant Valuation Date or Determination Date**

Because the deposit return amount, if any, is calculated using the level of the Underlying Benchmark on the final Valuation Date, the deposit return amount payable to a holder of the deposit will not be fixed until the final Valuation Date, as specified in the applicable Disclosure Supplement. Similarly, the periodic interest, if any, will not accrue to a holder of the deposit until the periodic interest Valuation Date or determination date, as specified in the applicable Disclosure Supplement. Accordingly, any potential deposit return amount or periodic interest will not be eligible for federal deposit insurance prior to the relevant Valuation Date or determination date. Any amounts not covered by federal deposit insurance are fully subject to the credit risk of Citibank.

**Any Deposit Amounts in Excess of the Applicable Maximum Insured Amount are Subject to Citibank’s Credit Risk**

You are responsible for monitoring the total amount of Deposits, including Deposits, you hold in the same insurable capacity with Citibank. Any amounts in excess of the maximum amount insured by the FDIC, as “uninsured Deposits,” — generally, more than \$250,000 through December 31, 2013 only and \$100,000 after December 31, 2013 for all Deposits and more than \$250,000 for all self-directed retirement accounts — will be subject to the credit risk of Citibank. These FDIC insurance limits are effective as of the date of this disclosure statement and could change during the term of the Deposits. The Deposits will be insured up to applicable FDIC insurance limits effective from time to time.

Except to the extent insured by the FDIC, the Deposits are not otherwise insured by any governmental agency or instrumentality or any other person.

**Your Deposits May Be Affected by the Insolvency of Citibank**

In the event that Citibank approaches insolvency or becomes insolvent, Citibank may be placed in regulatory conservatorship or receivership with the FDIC, typically appointed the conservator or receiver. The FDIC may thereafter pay off the Deposits prior to maturity or transfer the Deposits to another depository institution. If the Deposits are transferred to another institution, you may be offered a choice of retaining the Deposits at a lower interest rate or having the Deposits paid off. See the section “Deposit Insurance” below for additional information.

**You May Face Reinvestment Risk if Your Deposits Are Paid Off Prior to Maturity**

If your Deposits are paid off prior to maturity as a result of Citibank’s insolvency, exercise by Citibank of any right to call the deposit, if applicable, mandatory call of the Deposits, if applicable, or a voluntary early withdrawal, if applicable, you may be unable to reinvest your funds at the same rate as your original deposit. Citibank is not responsible to you for any losses you may incur as a result of a lower interest rate on an investment replacing your deposit.

**Variable-Rate, Floating-Rate and Indexed-Rate Deposits May Pay Less than Fixed-Rate Deposits of the Comparable Maturity**

Deposits earning interest at a variable, floating or indexed interest rate present different investment considerations from those with fixed rates. Depending on the terms of the variable-rate, floating-rate or indexed-rate deposit and the interest rate environment generally, the return on a deposit with a variable, floating or indexed interest rate may pay substantially less interest than a conventional fixed-rate deposit of the same maturity. Furthermore, if the deposit is subject to a call by us and we call the deposit, or if the deposit is subject to a mandatory call, you may not receive the benefits of any anticipated increase in rates paid on a variable, floating or indexed interest rate deposit. Similarly, you may be required to hold the deposit at a lower rate than prevailing market interest rates if the deposit does not provide for redemption prior to maturity.

**Deposits that are Callable by Citibank in Its Discretion Involve Additional Risks and May Not Be Suitable For Every Investor**

Callable Deposits present different investment considerations from non-callable Deposits and may not be suitable for every investor. You should carefully consider the information provided in the applicable Disclosure Supplement, including the time periods when Citibank may call the deposit. The decision whether to call a deposit before maturity in accordance with its terms is in Citibank’s sole discretion. Citibank is not obligated to

call the Deposits, and will call them, if at all, when it is most advantageous to Citibank to do so, without reference to your investment needs. Depending on the terms of the Deposits, you may face the risk that: the deposit may be paid off prior to maturity as a result of a call by Citibank and your return would be less than the yield which the deposit would have earned had it been held to maturity; if the deposit is called by Citibank, you may not be able to reinvest your funds at the same rate as your original deposit; or the deposit may not be called and you may be required to hold the deposit until maturity, causing your return to be less than if Citibank had called the deposit and you were able to reinvest your funds in an investment with a higher yield than the yield on the deposit.

### **The Deposits May Be Subject to a Mandatory Call that Limits the Potential Return**

Callable Deposits present different investment considerations from non-callable Deposits and may not be suitable for every investor. You should carefully consider the information provided in the applicable Disclosure Supplement, including the terms of the mandatory call, if applicable. The opportunity to benefit from changes in the level of the Underlying Benchmark through an investment in the Deposits may be limited by the mandatory call feature. If the Deposits are called prior to maturity as a result of the mandatory call, you will receive only the applicable call price, plus accrued and unpaid interest, if any, and you will not receive any deposit return amount. The call price may be less than or greater than the amount you would have received at maturity based on the Underlying Benchmark. Therefore, your return on the Deposits may be less than your return on an investment directly linked to the Underlying Benchmark and you may not be able to fully benefit from the change in the level of the Underlying Benchmark.

### **Extendable Maturity Deposits Involve Additional Risks and May Not Be Suitable For Every Investor**

Deposits that have a maturity date that may be extended at the option of Citibank present different investment considerations from Deposits with a non-extendable maturity date and may not be suitable for every investor. You should carefully consider the information provided in the applicable Disclosure Supplement, including the time periods for which Citibank may extend the maturity of the deposit.

The decision whether to extend a deposit's maturity date beyond its stated maturity in accordance with its terms is in Citibank's sole discretion. Citibank is not obligated to honor the stated maturity of these Deposits, and will extend their term, if at all, when it is most advantageous to Citibank to do so, without reference to your investment needs. Depending on the terms of the Deposits, you may face the risk that the deposit may not mature on its stated maturity date but such maturity will be extended. In this case, you may be required to hold the deposit beyond the stated maturity date, causing your return to be less than if Citibank had allowed the deposit to mature on its stated maturity date and you were able to reinvest your funds in an investment with a higher yield than the yield on the deposit.

### **You May Not Be Able to Sell Your Deposits if an Active Trading Market for the Deposits Does Not Develop**

The Deposits will not be listed on any exchange. There is currently no secondary market for the Deposits. Even if a secondary market does develop, it may not be liquid and may not continue for the term of the Deposits.

Citigroup Global Markets may, but is not obligated to, make a market in the Deposits. Because we do not expect that other market makers will participate significantly in any secondary market for the Deposits, the price at which you may be able to sell your deposit is likely to depend on the price, if any, at which Citigroup Global Markets is willing to transact. If at any time Citigroup Global Markets does not act as market maker, it is likely there would be little or no secondary market for the Deposits.

**The Value of the Deposits if Sold or Redeemed Prior to Maturity Will Depend on a Number of Factors and May be Substantially Less Than the Amount You Originally Invest**

We believe that the value of your Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits will be affected by the supply of and demand for the Deposits, the level of the Underlying Benchmark, interest rates and a number of other factors. Some of these factors are interrelated in complex ways. As a result, the effect of any one factor may be offset or magnified by the effect of another factor. The following paragraphs describe what we expect to be the impact of a change in a specific factor, assuming all other conditions remain constant, on the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits.

*Level of the Underlying Benchmark.* We expect that the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits will depend substantially on the amount, if any, by which the level of the Underlying Benchmark changes from its value on the date on which the particular offering of Deposits are priced for initial sale to the public (the “Pricing Date”). However, changes in the level of the Underlying Benchmark may not always be reflected, in full or in part, in the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits.

Prices, values or exchange rates of the Underlying Benchmark will be influenced by the complex and interrelated political, economic, financial and other factors that can affect the capital markets generally and by various circumstances that can influence the values of the Underlying Benchmark in a specific market segment. The hedging activities of Citibank’s affiliates and other trading activities by Citibank’s affiliates and other market participants can also affect the prices, values or exchange rates of the Underlying Benchmark.

*Volatility of the Underlying Benchmark.* Volatility is the term used to describe the size and frequency of market fluctuations. If the expected volatility of the Underlying Benchmark changes during the term of the Deposits, the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits may decrease.

*Interest Rates.* We expect that the market value of the Deposits will be affected by changes in U.S. interest rates. In general, if U.S. interest rates increase, the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits may decrease, and if U.S. interest rates decrease, the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits may increase.

*Hedging Activities.* Hedging activities related to the Deposits by one or more of our affiliates will likely involve trading in the Underlying Benchmark (if the Underlying Benchmark is shares of a company, ETF shares, ADRs, commodities or currencies), or in the stocks, currencies or commodities comprised in the Underlying Benchmark (if the Underlying Benchmark is an ETF, an index or a basket), or in other instruments, such as options, swaps or futures, based upon the Underlying Benchmark or upon the stocks, commodities or currencies comprised in the Underlying Benchmark. This hedging activity could affect the level of the Underlying Benchmark and therefore the market value of the Deposits in any secondary market. It is possible that our affiliates may profit from this hedging activity, even if the market value of the Deposits declines. Profit or loss from this hedging activity could affect the price at which our affiliate Citigroup Global Markets may be willing to purchase your Deposits in any secondary market or the market value component of the amount received upon early redemption of the Deposits.

*Citibank’s Financial Condition.* Actual or anticipated changes in our financial condition may affect the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits.

We want you to understand that the impact of one of the factors specified above, such as an increase in the U.S. interest rates, may offset some or all of any change in the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits attributable to another factor, such as a favorable change in the level of the Underlying Benchmark.

### **The Historical Performance of the Underlying Benchmark is Not an Indication of the Future Performance of the Underlying Benchmark**

The historical performance of the Underlying Benchmark, which is included in the applicable Disclosure Supplement, should not be taken as an indication of the future performance of the Underlying Benchmark during the term of the Deposits. Changes in the level of the Underlying Benchmark will affect the value of the Deposits in any secondary market and the market value component of the amount received upon early redemption, but it is impossible to predict whether the level of the Underlying Benchmark will fall or rise.

### **You Will Have No Rights Against the Underlying Issuer, the Index Publisher, the Commodity Publisher, or the Currency Publisher**

You will have no rights as a holder of the Deposits against the Underlying Issuer, the Index Publisher, the Commodity Publisher or the Currency Publisher, even though the market value of the Deposits is expected to depend on the level of the Underlying Benchmark and the deposit return amount payable at maturity, if any, is linked to the Underlying Benchmark.

None of the Underlying Issuer, the Index Publisher, the Commodity Publisher or the Currency Publisher will be involved in any way in the offering of the Deposits and will have no obligations relating to the Deposits or to holders of the Deposits. By investing in the Deposits you will not acquire any of the Underlying Benchmarks (if the Underlying Benchmark is shares of a company, ETF shares, ADRs, commodities or currencies), or any stocks, currencies or commodities comprised in the Underlying Benchmark (if the Underlying Benchmark is an ETF, an index or a basket). In addition, you will have no voting rights and will receive no dividends or other distributions made on the Underlying Benchmark (if the Underlying Benchmark is shares of a company, ETF shares or ADRs), or on the stocks comprised in the Underlying Benchmark (if the Underlying Benchmark is an ETF, an equity index or a basket).

### **The Value of the Deposits May Be Affected by Certain Purchases and Sales by Affiliates of Citibank**

Citibank's affiliates, including Citigroup Global Markets, may from time to time buy or sell the Underlying Benchmark (if the Underlying Benchmark is shares of a company, ETF shares, ADRs, commodities or currencies), or stocks, currencies or commodities comprised in the Underlying Benchmark (if the Underlying Benchmark is an ETF, an index or a basket), or derivative instruments relating to the Underlying Benchmark or the stocks, commodities or currencies included in the Underlying Benchmark for their own accounts in connection with their normal business practices. These transactions could affect the level of the Underlying Benchmark and therefore the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits.

### **Citibank is the Calculation Agent, Which Could Result in a Conflict of Interest**

Citibank is acting as the calculation agent for the Deposits. As a result, potential conflicts of interest may exist between the calculation agent and you, since its duties as calculation agent, including with respect to certain determinations and judgments that the calculation agent must make in determining amounts due to you may conflict with its interest as the offeror of the Deposits. While the calculation agent will act in good faith and in a commercially reasonable manner, there can be no assurance that the determinations made by the calculation

agent during the term of the Deposits will not affect the market value the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits.

### **Hedging Activity Could Result in a Conflict of Interest**

In anticipation of the sale of the Deposits, we expect one or more of our affiliates to enter into hedge transactions. This hedging activity will likely involve trading in the Underlying Benchmark (if the Underlying Benchmark is shares of a company, ETF shares, ADRs, commodities or currencies), or in the stocks, currencies or commodities comprised in the Underlying Benchmark (if the Underlying Benchmark is an ETF, an index or a basket), or in other instruments, such as options, swaps or futures based upon the Underlying Benchmark or the stocks, currencies or commodities comprised in the Underlying Benchmark. This hedging activity may present a conflict between your interest in the Deposits and the interests our affiliates have in executing, maintaining and adjusting their hedge transactions because it could affect the level of the Underlying Benchmark and therefore the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits. It could also be adverse to your interest if it affects the price at which our affiliate Citigroup Global Markets may be willing to purchase your Deposits in any secondary market or the market value component of the amount received upon early redemption of the Deposits. Since hedging the obligations under the Deposits involves risk and may be influenced by a number of factors, it is possible that our affiliates may profit from the hedging activity, even if the market value of the Deposits declines.

### **Additional Risk Factors if the Underlying Benchmark is Shares of a Company, ETF Shares, ADRs, an Equity Index or a Basket**

#### *Events Involving the Underlying Benchmark Can Affect the Market Value of the Deposits*

General economic conditions and earnings results of the Underlying Issuer (if the Underlying Benchmark is shares of a company, ETF shares or ADRs) or of the companies whose stocks are comprised in the Underlying Benchmark (if the Underlying Benchmark is an ETF, an equity index or a basket), and real or anticipated changes in those conditions or results, may affect the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits. In addition, if the dividend yields on the Underlying Benchmark or on the stocks included in the Underlying Benchmark those stocks increase, we expect that the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits may decrease because the deposit return amount does not incorporate the value of dividend payments. Conversely, if dividend yields on the on the Underlying Benchmark or on the stocks included in the Underlying Benchmark decrease, we expect that the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits may increase.

#### *You Will Not Receive Any Distributions Made on The Underlying Benchmark*

You will not be entitled as a holder of the Deposits to receive dividend payments or other distributions, if any, made on the Underlying Benchmark (if the Underlying Benchmark is shares of a company, ETF shares or ADRs), or on the stocks comprised in the Underlying Benchmark (if the Underlying Benchmark is an ETF, an equity index or a basket).

#### *Foreign Equity Securities Involve Additional Risks which Can Affect the Value of the Deposits*

If the Underlying Benchmark (if the Underlying Benchmark is shares of a company, ETF shares or ADRs) or the stocks comprised in the Underlying Benchmark (if the Underlying Benchmark is an ETF, an equity index or a basket) are listed on one or more foreign stock exchanges, you should be aware that investments that are linked to the value of foreign equity securities involve certain risks, any of which can affect the value of these securities and therefore the value the Deposits.

The foreign securities markets may be more volatile than U.S. securities markets and may be affected by market developments in different ways than U.S. securities markets; cross-shareholdings in foreign companies on such markets may affect prices and volume of trading on those markets; there is generally less publicly available information about foreign companies than about those U.S. companies that are subject to the reporting requirements of the Securities and Exchange Commission, and foreign companies are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies. In addition, the exchanges on which the underlying stocks are traded may have adopted certain measures intended to limit short-term price fluctuations. These may include daily price floors and ceilings intended to prevent extreme fluctuations in individual stock prices. You should also be aware that certain of the exchanges on which the underlying stocks are traded might suspend the trading of individual stocks in certain limited and extraordinary circumstances. As a result, variations in the Underlying Benchmark may be limited by price limitations on, or suspensions of trading of, the stocks of the Underlying Issuer (if the Underlying Benchmark is shares of a company, ETF shares or ADRs) or the companies whose stocks are comprised in the Underlying Benchmark (if the Underlying Benchmark is an ETF, an equity index or a basket), which may, in turn, adversely affect the value of the Deposits or result in the occurrence of a Market Disruption Event.

Prices of the underlying stocks are subject to political, economic, financial, exchange rate and social factors that apply in each issuer's country as well as in other constituent countries in which such issuer does business (or in which its principal trading partners do business). These factors (including the possibility that recent or future changes in a country's government, economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other laws or restrictions applicable to such foreign companies or investments in foreign equity securities and the possibility of fluctuations in the rate of exchange between currencies) could negatively affect foreign securities markets. Stock and currency market volatility and market developments in one or more countries may cause volatility or a decline in another country. Moreover, the relevant economies may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency.

*The Amount You Receive at Maturity May Be Reduced Under Some Circumstances if the Underlying Benchmark is Diluted Because this Amount Will Not Be Adjusted for All Events that Dilute the Underlying Benchmark*

If the Underlying Benchmark is shares of a company, ETF shares or ADRs, the level of the Underlying Benchmark may be subject to adjustment for a number of events arising from stock splits and combinations, stock dividends, a number of other actions of the Underlying Issuer that modify its capital structure and a number of other transactions involving the Underlying Issuer, as well as for the liquidation, dissolution or winding up of the Underlying Issuer. You should refer to the dilution adjustments provisions in the Disclosure Supplement applicable to a particular offering of Deposits. The level of the Underlying Benchmark will not be adjusted for other events that may adversely affect the level of the Underlying Benchmark, such as offerings of common stock for cash or in connection with acquisitions. Because of the relationship of the deposit return amount that you receive at maturity, if any, to the level of the Underlying Benchmark, these other events may reduce the deposit return amount.

*We Obtained Information about the Underlying Benchmark from Publicly Available Sources*

We have derived all information about the Underlying Benchmark, the Underlying Issuer (if the Underlying Benchmark is shares of a company, ETF shares or ADRs) or the companies whose stocks are comprised in the Underlying Benchmark (if the Underlying Benchmark is an ETF, an equity index or a basket), from publicly available documents. We have not participated and will not participate in the preparation of any of those documents. Nor have we made or will we make any "due diligence" investigation or any inquiry with respect to the Underlying Benchmark, the Underlying Issuer or the companies whose stocks are comprised in the Underlying Benchmark in connection with the offering of the Deposits. We do not make any representation that any publicly available document or any other publicly available information about the Underlying Benchmark, the Underlying Issuer or the companies whose stocks are comprised in the Underlying Benchmark is accurate or complete.

## **Additional Risk Factors if the Underlying Benchmark is ADRs or an Index or Basket that includes ADRs**

### *The Value of Underlying ADRs May Not Completely Track the Value of the Underlying Issuer's Ordinary Shares*

If the Underlying Benchmark is an ADR or a basket that includes ADRs, you should be aware that, although the trading characteristics and valuations of the underlying ADRs will usually mirror the characteristics and valuations of the ordinary shares represented by those ADRs, the value of the ADRs upon which a particular offering of Deposits is based may not completely track the value of the equity issuer's ordinary shares represented by those ADRs. Active trading volume and efficient pricing for the ordinary shares of the Underlying Issuer on the stock exchange(s) on which those ordinary shares principally trade will usually, but not necessarily, indicate similar characteristics in respect of the underlying ADRs. Because of the size of the offering of the Underlying Issuer's ordinary shares in ADR form outside the countries in which those ordinary shares principally trade and/or other factors that have limited or increased the float of certain ADRs, the liquidity of the underlying ADRs may be less than or greater than that of the ordinary shares represented by those ADRs. In addition, the terms and conditions of depositary facilities may result in less liquidity or lower market value of the underlying ADRs than for the ordinary shares. Since holders of ADRs may surrender the ADRs in order to take delivery of and trade the ordinary shares represented by those ADRs, a characteristic that allows investors in ADRs to take advantage of price differentials between different markets, a market for the underlying ordinary shares that is not liquid will generally result in an illiquid market for the ADRs representing such ordinary shares.

The price of ADRs upon which a particular offering of Deposits is based will be quoted in U.S. dollars. Thus, the trading price of the Underlying Benchmark at any time after the Pricing Date up to and including the final Valuation Date will be expressed in U.S. dollars, and the maturity payment on the Deposits will be made in U.S. dollars. However, you should be aware that a depreciation of the value of the currencies in which the ordinary shares of the Underlying Issuer are traded versus the U.S. dollar may reduce the trading price of the ADRs upon which a particular offering of Deposits is based (and thus the trading price of and the maturity payment on the Deposits).

### *The Trading Price of Underlying ADRs Will be Affected by Conditions in the Markets Where those ADRs Principally Trade*

Although the market price of ADRs upon which a particular offering of Deposits is based is not directly tied to the trading price of the Underlying Issuer's ordinary shares in the non-U.S. markets where those ordinary shares principally trade, the trading price of ADRs is generally expected to track the U.S. dollar value of the currency of the country where the Underlying Issuer's ordinary shares principally trade and the trading price of the Underlying Issuer's ordinary shares on the stock exchange(s) where those ordinary shares principally trade. This means that the trading value of any ADRs upon which a particular offering of Deposits is based is expected to be affected by the exchange rates between the U.S. dollar and the currency of the country where the Underlying Issuer's ordinary shares principally trade and by factors affecting the stock exchange(s) where those ordinary shares principally trade.

### *ADRs Linked to Non-U.S. Companies Will Be Affected by Conditions in the Markets Where Shares of those Non-U.S. Companies Principally Trade*

Investments in securities linked to the value of equity securities of non-U.S. companies involve certain risks. Where the Underlying Issuer's ordinary shares principally trade on a non-U.S. market, that market may be more volatile than U.S. markets. Also, there is generally less publicly available information about non-U.S. companies than U.S. companies, and non-U.S. companies are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. companies.

In addition, securities prices of companies located in emerging markets, or whose principal operations are located in emerging markets, are subject to political, economic, financial and social factors that apply in

emerging markets. These factors, which could negatively affect the value of such securities, include the possibility of recent or future changes in local or national economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other laws or restrictions applicable to such companies or to investments in equity securities of companies located, or whose principal operations are located, in emerging markets. Specifically, political and/or legal developments in emerging markets could include forced divestiture of assets; restrictions on production, imports and exports; war or other international conflicts; civil unrest and local security concerns that threaten the safe operation of company facilities; price controls; tax increases and other retroactive tax claims; expropriation of property; cancellation of contract rights; and environmental regulations. Moreover, the economy of emerging nations may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross national product, rate of inflation, capital investment, resources and self-sufficiency.

### **Additional Risk Factors if the Underlying Benchmark is ETF Shares or an Index or Basket that includes ETF Shares**

#### *The Value of Underlying ETF Shares May Not Completely Track the Value of the Shares in Which the ETF Invests*

If the Underlying Benchmark is ETF shares or a basket that includes ETF shares, you should be aware that, although the trading characteristics and valuations of the ETF shares will usually mirror the characteristics and valuations of the shares in which that ETF invests, the value of the ETF shares may not completely track the value of the shares in which that ETF invests. The ETF shares will reflect transaction costs and fees that the shares in which the ETF invests do not have.

#### *Deposits the Underlying Benchmark of Which Is ETF Shares May Be Subject to Currency Exchange Rate Risk*

If the Underlying Benchmark is shares of an ETF that invests in non-U.S. markets or a basket that includes shares of an ETF that invests in non-U.S. markets, the trading price of the stocks in which the ETF invests generally will reflect the U.S. dollar value of those stocks. Therefore, holders of Deposits the Underlying Benchmark of which is the shares of an ETF that invests in non-U.S. markets or a basket that includes shares of an ETF that invests in non-U.S. markets will be exposed to currency exchange rate risk with respect to the currency in which such stocks trade. An investor's net exposure will depend on the extent to which the non-U.S. currency strengthens or weakens against the U.S. dollar and the relative weight of each stock in the ETF's portfolio. If, taking into account such weighting, the dollar strengthens against the non-U.S. currency, the value of the stocks in which an ETF invests will be adversely affected and the value of the Deposits or the amount you receive at maturity may decrease.

#### *ETF Shares Linked to Non-U.S. Companies and Deposits Based Upon such ETF Shares Will Be Affected by Conditions in the Markets Where Shares of those Non-U.S. Companies Principally Trade*

Investments in securities linked to the value of equity securities of non-U.S. companies involve certain risks. Where the shares of a company in which the Underlying Issuer invests principally trade on a non-U.S. market, that market may be more volatile than U.S. markets. Also, there is generally less publicly available information about non-U.S. companies than U.S. companies, and non-U.S. companies are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. companies.

In addition, securities prices of companies located in emerging markets, or whose principal operations are located in emerging markets, are subject to political, economic, financial and social factors that apply in emerging markets. These factors, which could negatively affect the value of such securities, include the possibility of recent or future changes in local or national economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other laws or restrictions applicable to such companies or to investments in equity securities of companies located, or whose principal operations are located, in emerging

markets. Specifically, political and/or legal developments in emerging markets could include forced divestiture of assets; restrictions on production, imports and exports; war or other international conflicts; civil unrest and local security concerns that threaten the safe operation of company facilities; price controls; tax increases and other retroactive tax claims; expropriation of property; cancellation of contract rights; and environmental regulations. Moreover, the economy of emerging nations may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross national product, rate of inflation, capital investment, resources and self-sufficiency.

#### **Additional Risk Factors if the Underlying Benchmark is a Currency or an Index or Basket that includes Currencies**

##### *The Value of Any Currency May Be Highly Volatile and May be Affected by Complex Political and Economic Factors*

The value of any currency may be highly volatile and may be affected by complex political and economic factors. The value any currency relative to another currency, as measured by the relevant exchange rate, is at any moment a result of the supply and demand for the relevant currencies, and changes in the exchange rates result over time from the interaction of many factors directly or indirectly affecting economic and political conditions in the relevant countries, as well as economic and political developments in other countries. Of particular importance are the relative rates of inflation, interest rate levels, the balance of payments and the extent of governmental surpluses or deficits, all of which are in turn sensitive to the monetary, fiscal and trade policies pursued by countries which are important to international trade and finance.

##### *Foreign Exchange Rates Could be Affected by the Actions of the Relevant Sovereign Governments*

Foreign exchange rates can either be fixed by sovereign governments or floating. Exchange rates of many nations are permitted to fluctuate in value relative to other currencies. However, governments sometimes do not allow their currencies to float freely in response to economic forces. Governments use a variety of techniques, such as intervention by their central bank or imposition of regulatory controls or taxes, to affect the exchange rates of their respective currencies. They may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. Thus, if the Underlying Benchmark is a currency or an index or basket that includes currencies, a special risk in purchasing the Deposits is that their liquidity, trading price on the secondary market, if any, and amounts payable could be affected by the actions of sovereign governments that could change or interfere with theretofore freely determined currency valuations, fluctuations in response to other market forces and the movement of currencies across borders. There will be no adjustment or change in the terms of the Deposits in the event that exchange rates should become fixed, or in the event of any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes, or in the event of the issuance of a replacement currency or in the event of other developments affecting the basket currencies.

#### **Additional Risk Factors if the Underlying Benchmark is a Commodity or an Index or Basket that includes Commodities**

##### *Prices of Commodities May Be Highly Volatile*

Prices of commodities may be highly volatile and may be affected by numerous factors. These include economic factors, including, among other things, the structure of and confidence in the global monetary system, expectations of the future rate of inflation, the relative strength of, and confidence in, the U.S. dollar (the currency in which the main commodities are generally quoted), interest rates and commodity borrowing and lending rates, and global or regional economic, financial, political, regulatory, judicial or other events. Commodities prices may also be affected by industry factors such as industrial and jewelry demand, lending,

sales and purchases of commodities by the official sector, including central banks and other governmental agencies and multilateral institutions which hold commodities, levels of commodities production and production costs, and short-term changes in supply and demand because of trading activities in the relevant commodity market.

*Higher Future Prices of the Futures Contracts Included in the Underlying Benchmark Relative to Their Current Prices May Decrease Your Return on the Deposits*

Unlike equities, which typically entitle the holder to a continuing stake in a corporation, commodity futures contracts normally specify a certain date for delivery of the underlying physical commodity. As the futures contracts included in the Underlying Benchmark approach expiration, they are replaced by futures contracts that have a later expiration. Thus, for example, a futures contract purchased and held in December may specify a February expiration. As time passes, the contract expiring in February is replaced by a contract for delivery in March. This process is referred to as “rolling.” If the market for these contracts is (putting aside other considerations) in “backwardation,” where the prices are lower in the distant delivery months than in the nearer delivery months, the sale of the February contract would take place at a price that is higher than the price of the March contract, thereby creating a positive “roll yield,” without necessarily being indicative of the performance of the contracts. The absence of backwardation in the commodity markets could result in negative “roll yields,” which could adversely affect the value of the underlying index and, accordingly, decrease your return on the Deposits.

*The Deposits Will Not Be Regulated by the Commodity Futures Trading Commission*

Unlike an investment in the Deposits, an investment in a collective investment vehicle that invests in futures contracts on behalf of its participants may be regulated as a commodity pool and its operator may be required to be registered with and regulated by the CFTC as a commodity pool operator. Because the Deposits are not interests in a commodity pool, they will not be regulated by the CFTC as a commodity pool, we will not be registered with the CFTC as a commodity pool operator, and you will not benefit from the CFTC’s or any non-U.S. regulatory authority’s regulatory protections afforded to persons who trade in futures contracts or who invest in regulated commodity pools.

**Additional Risk Factors if the Underlying Benchmark is a Basket**

*Baskets Comprising the Underlying Benchmark*

If the Underlying Benchmark is a basket, any of the risk factors which are applicable if the Underlying Benchmark is shares of a company, ADRs, ETF shares, commodities, currencies, or indices are also applicable with respect to any of the shares of a company, ADRs, ETF shares, commodities, currencies or indices that are included in a basket.

*The Use of a Basket Instead of a Single Underlying Benchmark May Lower the Return on the Deposits*

Because the value of a basket will be based on the weighted value of each of the basket components, a significant increase in the value of one basket component but not the other may be substantially or entirely offset by a decrease in the value of the other basket component during the term of the Deposits.

*Risks Associated to a Non-Diversified Investment*

Because the Deposits may be linked to changes in the values of a limited number of instruments, the underlying basket may be less diversified than funds or portfolios investing in broader markets and, therefore, could experience greater volatility. A purchase of such Deposits may carry risks similar to a concentrated investment in a limited number of industries or sectors.

## PROVISIONS RELATING TO THE UNDERLYING BENCHMARK

The Closing Value, Closing Price or Exchange Rate of the Underlying Benchmark, as applicable, on any date of determination, including the final Valuation Date or periodic Valuation Dates, will be as follows:

- (1) if the Underlying Benchmark is shares of a company, ETF shares, ADRs, or a basket that includes shares of a company, ETF shares or ADRs (or any other security for which a Closing Price must be determined upon a dilution adjustment), the Closing Price of the of the shares will be (a) if the security is listed on a national securities exchange on that date of determination, the closing sale price or, if no closing sale price is reported, the last reported sale price on that date on the principal national securities exchange on which the security is listed or admitted to trading, or (b) if the security is not listed on a national securities exchange on that date of determination, or if the closing sale price or last reported sale price on such exchange is not obtainable (even if the security is listed or admitted to trading on such exchange), any last reported bid price for the security of the principal trading session on the over-the-counter market on that date as reported on the OTC Bulletin Board, the National Quotation Bureau or a similar organization. If no closing sale price or last reported sale price is available on a date of determination pursuant to clauses (a) or (b) above or if there is a Market Disruption Event, the Closing Price of the shares for that date, unless deferred by the Calculation Agent as described below, will be the arithmetic mean, as determined by the Calculation Agent, of the bid prices of the security obtained from as many dealers in such security (which may include Citigroup Global Markets or any of our other affiliates or subsidiaries), but not exceeding three such dealers, as will make such bid prices available to the Calculation Agent. The term “OTC Bulletin Board” will include any successor to such service. The determination of the Closing Price of the shares by the Calculation Agent upon the occurrence of a Market Disruption Event may be deferred by the Calculation Agent for up to five consecutive Trading Days on which a Market Disruption Event is occurring, but not past the Trading Day immediately prior to the Maturity Date; or
- (2) if the Underlying Benchmark is an index or a basket that includes an index, the Closing Value of the index will be the Closing Value of the index as published by the Index Publisher (subject to the terms described under “— Discontinuance of an Underlying Index” and “— Alteration of Method of Calculation of an Underlying Index” below). If the Closing Value of the index is not available on a date of determination or if there is a Market Disruption Event, the Closing Value of the index for that date, unless deferred by the Calculation Agent as described below, will be the arithmetic mean, as determined by the Calculation Agent, of the value of the index obtained from as many dealers in equity securities, commodities, contracts or currencies, as applicable (which may include Citigroup Global Markets or any of our other affiliates), but not exceeding three such dealers, as will make such value available to the Calculation Agent. The determination of the Closing Value of the index by the Calculation Agent upon the occurrence of a Market Disruption Event may be deferred by the Calculation Agent for up to five consecutive Underlying Index Business Days on which a Market Disruption Event is occurring, but not past the Underlying Index Business Day immediately prior to the Maturity Date; or
- (3) if the Underlying Benchmark is a commodity or a basket that includes a commodity, the Closing Price of the commodity will be the Closing Price on that date as published by the Index Publisher. If the Closing Price of any relevant commodity is not available on a date of determination or if there is a Market Disruption Event, the Closing Price of such commodity for that date, unless deferred by the Calculation Agent as described below, will be the arithmetic mean, as determined by the Calculation Agent, of the price of the relevant commodity obtained from as many dealers in commodities, as applicable (which may include Citigroup Global Markets or any of our other affiliates), but not exceeding three such dealers, as will make such value available to the Calculation Agent. The determination of the Closing Price of the commodity by the Calculation Agent upon the occurrence of a Market Disruption Event may be deferred by the Calculation Agent for up to five consecutive Underlying Commodity Business Days on which a Market Disruption Event is occurring, but not past the Underlying Commodity Business Day immediately prior to the Maturity Date; or

- (4) if the Underlying Benchmark is a currency or a basket that includes a currency, the currency Exchange Rate will be the Exchange Rate on that date as published by the Currency Publisher. If the Exchange Rate of any relevant currency is not available on a date of determination, the Exchange Rate of such currency for that date will be calculated on the basis of the arithmetic mean of the applicable spot quotations received by the Calculation Agent at the relevant time for the purchase or sale for Deposits in the relevant currency by the London offices of three leading banks engaged in the interbank market (selected by the Calculation Agent after consultation with Citigroup Funding) (the “reference banks”). If fewer than three reference banks provide those spot quotations, then the relevant currency Exchange Rate will be calculated on the basis of the arithmetic mean of the applicable spot quotations received by the Calculation Agent from two leading commercial banks in New York (selected by the Calculation Agent after consultation with Citigroup Funding), for the purchase or sale for Deposits in the relevant currency. If these spot quotations are available from only one bank, then the Calculation Agent, in its sole discretion, will determine if such quotation is reasonable. If no spot quotation is available, then the relevant currency Exchange Rate will be the rate the Calculation Agent, in its sole discretion, determines to be fair and reasonable under the circumstances; or
- (5) if the Underlying Benchmark is a basket, the Closing Value of the basket will equal the sum of the weighted Closing Value, Closing Price, or Exchange Rate, as applicable, of each of the ETF shares, indices, commodities and currencies that are comprised in the basket, as determined according to the above provisions, provided that the determination of the Closing Value of the basket by the Calculation Agent upon the occurrence of a Market Disruption Event relating to any of the basket components may be deferred by the Calculation Agent for up to five consecutive Underlying Basket Business Days on which a Market Disruption Event is occurring, but not past the Underlying Basket Business Day immediately prior to the Maturity Date.

An Underlying Benchmark Business Day can be a Trading Day, an Underlying Index Business Day, an Underlying Commodity Business Day, an Underlying Currency Business Day or an Underlying Basket Business Day, as applicable, and will be as follows:

- (1) if the Underlying Benchmark is shares of a company, ETF shares, ADRs, or a basket that includes shares of a company, ETF shares or ADRs, a Trading Day will be a day, as determined by the Calculation Agent, on which trading is generally conducted (or was scheduled to have been generally conducted, but for the occurrence of a Market Disruption Event) on the New York Stock Exchange, the American Stock Exchange, NASDAQ, the Chicago Mercantile Exchange and the Chicago Board Options Exchange, and in the over-the-counter market for equity securities in the United States, or in the case of a security traded on one or more non-U.S. securities exchanges or markets, on the principal non-U.S. securities exchange or market for such security; or
- (2) if the Underlying Benchmark is an index or a basket that includes an index, a day, as determined by the Calculation Agent, an Underlying Index Business Day will be a day on which the underlying index or any successor index is calculated and published and on which stocks, commodities, currencies or derivative contracts relating to such stocks, commodities or currencies, as applicable, comprising more than 80% of the value of the underlying index on such day are capable of being traded on their relevant exchanges or markets during the one-half hour before the determination of the Closing Value of the underlying index. All determinations made by the Calculation Agent will be at the sole discretion of the Calculation Agent and will be conclusive for all purposes and binding on us, Citigroup Inc. and the beneficial owners of the Deposits, absent manifest error; or
- (3) if the Underlying Benchmark is a commodity, a currency, or a basket that includes a commodity or a currency, the definition of Underlying Commodity Business Day or Underlying Currency Business Day in relation to any relevant commodity or currency will be set forth in the applicable supplements; or

- (4) if the Underlying Benchmark is a basket, an Underlying Basket Business Day will be a day that is an Underlying Benchmark Business Day with respect to each of the shares of a company, ETF shares, ADRs, indices, commodities or currencies that are included in the basket, as determined according to the provisions above.

If the scheduled final or periodic Valuation Date is not an Underlying Benchmark Business Day, the Valuation Date may be deferred by the Calculation Agent but not past the Underlying Benchmark Business Day immediately prior to the date scheduled for payment of principal or interest, including the Maturity Date.

A “Business Day” means any day that is not a Saturday, a Sunday or a day on which the securities exchanges or banking institutions or trust companies in New York City are authorized or obligated by law or executive order to close.

A “Market Disruption Event” means:

- (1) if the Underlying Benchmark is shares of a company, ADRs, commodities, currencies, or a basket that includes shares of a company, ADRs, commodities or currencies, as determined by the Calculation Agent in its sole discretion, the occurrence or existence of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by any exchange or market or otherwise) of, or the unavailability, through a recognized system of public dissemination of transaction information, for a period longer than two hours, or during the one-half hour period preceding the close of trading, on the applicable exchange or market, of accurate price, volume or related information in respect of (a) the Underlying Benchmark or (b) any options contracts or futures contracts relating to the Underlying Benchmark or any options on such futures contracts on any exchange or market, if, in each case, in the determination of the Calculation Agent, any such suspension, limitation or unavailability is material; or
- (2) if the Underlying Benchmark is ETF shares or a basket that includes ETF shares, as determined by the Calculation Agent in its sole discretion, the occurrence or existence of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by any relevant exchange or market or otherwise) of, or the unavailability, through a recognized system of public dissemination of transaction information, for a period longer than two hours, or during the one-half hour period preceding the close of trading, on the applicable exchange or market, of accurate price, volume or related information in respect of if the Underlying Benchmark is ETF shares, stocks which then comprise 20% or more of the value of the assets underlying the ETF; if, in each case, in the determination of the Calculation Agent, any such suspension, limitation or unavailability is material. For purposes of determining whether a Market Disruption Event exists at any time, if trading in a security included in the assets underlying the ETF is materially suspended or materially limited at that time, then the relevant percentage contribution of that security to the value of the assets underlying the ETF will be based on a comparison of the portion of the value of assets underlying the ETF attributable to that security relative to the overall value of the assets underlying the ETF, in each case immediately before that suspension or limitation; or
- (3) if the Underlying Benchmark is an index or a basket that includes an index, as determined by the Calculation Agent in its sole discretion, the occurrence or existence of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by any relevant exchange or market or otherwise) of, or the unavailability, through a recognized system of public dissemination of transaction information, for a period longer than two hours, or during the one-half hour period preceding the close of trading, on the applicable exchange or market, of accurate price, volume or related information in respect of (a) stocks, commodities, currencies or derivative contracts relating to such stocks, commodities or currencies, as applicable, which then comprise 20% or more of the value of the underlying index or any successor index, (b) any options contracts or futures contracts, or any options on such futures contracts relating to the underlying index or any successor index, or

- (c) any options contracts or futures contracts relating to stocks, commodities, currencies, or derivative contracts relating to such stocks, commodities or currencies, as applicable, which then comprise 20% or more of the value of the underlying index or any successor index on any exchange or market if, in each case, in the determination of the Calculation Agent, any such suspension, limitation or unavailability is material. For purposes of determining whether a Market Disruption Event exists at any time, if trading in a stock, commodity, currency, or derivative contract relating to such stock, commodity or currency, as applicable, included in the underlying index is materially suspended or materially limited at that time, then the relevant percentage contribution to the value of the underlying index will be based on a comparison of the portion of the value of the underlying index attributable to that stock, commodity, currency, or derivative contract relating to such stock, commodity or currency, as applicable, relative to the overall value of the underlying index, in each case immediately before that suspension or limitation; or
- (4) if the Underlying Benchmark is a basket, as determined by the Calculation Agent in its sole discretion, the occurrence or existence of a Market Disruption Event related to any shares of a company, ETF shares, ADRs, indices, commodities or currencies comprising the Basket, as determined according to the provisions above.

#### **Delisting or Suspension of Trading in the ETF Shares; Termination of the Index to which the ETF is Linked**

If the Underlying Benchmark is ETF shares or a Basket that includes ETF shares and the ETF shares are delisted from, or trading of the shares is suspended on, the relevant stock exchange and a major U.S. exchange or market lists or approves for trading successor or substitute securities that the Calculation Agent determines, in its sole discretion to be comparable to the ETF shares (any such securities, “Successor Shares”), the value of such Successor Shares will be substituted for all purposes, including but not limited to determining the Closing Price of the ETF shares. Upon any selection by the Calculation Agent of Successor Shares, the Calculation Agent will cause notice thereof to be furnished to the registered holders of the Deposits.

If the ETF shares are delisted from, or trading of the ETF shares is suspended on, the relevant stock exchange and Successor Shares that the Calculation Agent determines to be comparable to the ETF shares are not listed or approved for trading on a major U.S. exchange or market, a successor or substitute security will be selected by the Calculation Agent, in its sole discretion, and the value of such successor or substitute security, as determined by the Calculation Agent in its sole discretion, will be substituted for all purposes. Upon any selection by the Calculation Agent of successor or substitute securities, the Calculation Agent will cause notice thereof to be furnished to the registered holders of the Deposits.

If the index to which the Underlying ETF is linked is liquidated or otherwise terminated (a “Termination Event”), the Closing Price of the ETF shares on each Trading Day from the date of the Termination Event up to and including the final Valuation Date will be determined by the Calculation Agent, in its sole discretion, and will be a fraction of the Closing Value of the index to which the ETF is linked (or any successor index, as defined below) on such Trading Day (taking into account any material changes in the method of calculating the index following such Termination Event) equal to that part of the Closing Value of the index represented by the Closing Price of the ETF shares on the Trading Day prior to the occurrence of such Termination Event on which a Closing Price of the ETF shares was available. The Calculation Agent will cause notice of the Termination Event and calculation of the Closing Price of the ETF shares as described above to be furnished to registered holders of the Deposits.

If a Termination Event has occurred, the provisions under “Discontinuance of an Underlying Index” and “Alteration of Method of Calculation of an Underlying Index” below are applicable to the index to which the ETF is linked, provided that the Calculation Agent will determine the Closing Price of the ETF shares as described above.

## **Discontinuance of an Underlying Index**

If the Underlying Benchmark is an index or ETF shares linked to an index or a basket that includes an index and the Index Publisher discontinues publication of such underlying index or if it or another entity publishes a successor or substitute index that the Calculation Agent determines, in its sole discretion, to be comparable to the underlying index, then the value of the underlying index will be determined by reference to the value of that successor or substitute index, which we refer to as a “successor index.”

Upon any selection by the Calculation Agent of a successor index, the Calculation Agent will cause notice to be furnished to the registered holders of the Deposits.

If the Index Publisher discontinues publication of the underlying index and a successor index is not selected by the Calculation Agent or is no longer published on the date of determination of the value of the underlying index, the value to be substituted for the underlying index for that date will be a value computed by the Calculation Agent for that date in accordance with the procedures last used to calculate the underlying index prior to such discontinuance.

If the Index Publisher discontinues publication of the underlying index prior to the determination of the amount payable at maturity and the Calculation Agent determines that no successor index is available at that time, then on each Trading Day until the earlier to occur of (a) the determination of the amount payable at maturity and (b) a determination by the Calculation Agent that a successor index is available, the Calculation Agent will determine the value that is to be used in determining the value of the underlying index as described in the preceding paragraph. Notwithstanding these alternative arrangements, discontinuance of the publication of the underlying index may adversely affect the secondary market, if any, in the Deposits.

If a successor index is selected or the Calculation Agent calculates a value as a substitute for the underlying index as described above, the successor index or value will be substituted for the underlying index for all purposes, including for purposes of determining whether a Trading Day or Market Disruption Event occurs. Notwithstanding these alternative arrangements, discontinuance of the publication of the underlying index may adversely affect the Deposits in the secondary market, if any, and the market value component of the amount received upon early redemption, if any.

All determinations made by the Calculation Agent will be at the sole discretion of the Calculation Agent and will be conclusive for all purposes and binding on us, your broker and the beneficial owners of the Deposits, absent manifest error.

## **Alteration of Method of Calculation of an Underlying Index**

If the Underlying Benchmark is an index or ETF shares linked to an index or a basket that includes an index and at any time the method of calculating the underlying index or any successor index is changed in any material respect, or if the underlying index or any successor index is in any other way modified so that the value of the underlying index or the successor index does not, in the opinion of the Calculation Agent, fairly represent the value of that index had the changes or modifications not been made, then, from and after that time, the Calculation Agent will, at the close of business in New York, New York, make those adjustments as, in the good faith judgment of the Calculation Agent, may be necessary in order to arrive at a calculation of a value of an index comparable to the underlying index or the successor index as if the changes or modifications had not been made, and calculate the value of the index with reference to the underlying index or any successor index. Accordingly, if the method of calculating the underlying index or any successor index is modified so that the value of the underlying index or the successor index is a fraction or a multiple of what it would have been if it had not been modified, then the Calculation Agent will adjust that index in order to arrive at a value of the index as if it had not been modified.

## EVIDENCE OF THE DEPOSITS

The Deposits will be evidenced by one or more master certificates issued by us, each representing a number of individual Deposits. These master certificates will be held by or on behalf of The Depository Trust Company (“DTC”). No evidence of ownership, such as a passbook or a certificate, will be provided to you. Your broker keeps records of the ownership of each Deposit and will provide you with a written confirmation (the “Confirmation”) of your purchase. The applicable Disclosure Supplement will set forth the specific information and terms for the relevant offering of Deposits, including the Maturity Date, how the Deposit Return Amount will be calculated, the amount and dates of payment of periodic interest, if any, and the manner in which such periodic interest will be calculated, early redemption feature or withdrawal feature, if any. The Confirmation will state the original principal amount of your Deposit, from which you can determine how much premium, if any, you paid for the Deposits. You should retain the Confirmation for your records. Because you will not be provided with a certificate evidencing your Deposit, the purchase of a Deposit is not recommended for persons who wish to take physical possession of a certificate.

Payments on the Deposits will be remitted by us to DTC when due. Upon receipt in full of such amounts by DTC, we will be discharged from any further obligation with regard to such payments. Such payments will be credited through DTC’s procedures to participant firms and thereafter will be remitted to your broker, so long as such broker acts as your nominee, authorized representative, agent or custodian, and credited to your account with such broker.

Each Deposit constitutes a direct obligation of us and is not, either directly or indirectly, an obligation of any broker. You will have the ability to enforce your rights in a Deposit directly against Citibank. No deposit relationship shall be deemed to exist prior to the receipt and acceptance of your funds by us.

If you choose to remove your broker as your agent with respect to your Deposit, you may (i) transfer your Deposit to another agent (provided that the agent is a member of DTC (most major brokerage firms are members; many FDIC-insured depositories are not)) or (ii) request that your ownership of the Deposit be evidenced directly on the books of Citibank, subject to applicable law and our terms and conditions, including those related to the manner of evidencing Deposit ownership. Neither transferring your Deposits to another agent nor evidencing it directly on Citibank’s books will have any affect on the extent to which your Deposits are FDIC insured.

## DEPOSIT INSURANCE

The Deposits are protected by federal deposit insurance provided by the Deposit Insurance Fund, which is administered by the FDIC and backed by the full faith and credit of the U.S. Government, generally up to the Standard Maximum Deposit Insurance Amount (“SMDIA”). The SMDIA shall be a maximum amount of \$250,000 through December 31, 2013 only, and \$100,000 after December 31, 2013, for all Deposits held in the same insurable capacity (e.g., individual, joint account, etc.). In addition, federal deposit insurance is available up to a maximum amount of \$250,000 for self-directed retirement accounts (as described below). Any accounts or Deposits a holder maintains directly with Citibank in the same insurable capacity as such holder maintains its Deposits would be aggregated with such Deposits for purposes of the applicable limit. These FDIC insurance limits are effective as of the date of this Disclosure Statement and could change. The Deposits will be insured up to applicable FDIC insurance limits effective from time to time.

FDIC insurance coverage includes both principal and interest accrued (subject to the applicable limit) as of the date when the FDIC is appointed conservator or receiver of Citibank. Consequently, if the FDIC was appointed conservator or receiver of Citibank prior to any interest determination or Valuation Date during the term of a structured or variable interest deposit, the FDIC might take the position that any return which had not been calculated as of the date the FDIC was appointed conservator or receiver of Citibank was not insured because such return is not accrued until the applicable interest determination date or fixed until the applicable Valuation Date.

***Each holder is responsible for monitoring the total amount of its Deposits in order to determine the extent of deposit insurance coverage available to it on such Deposits, including the Deposits. In circumstances in which FDIC insurance coverage is needed, (a) the FDIC will not be responsible for the uninsured portion of the Deposits or any other Deposits and (b) neither we nor any broker will be responsible for any insured or uninsured portion of the Deposits or any other Deposits. Persons considering the purchase, ownership or disposition of a Deposit should consult their legal advisors concerning the availability of FDIC insurance.***

If the Deposits or other Deposits of a holder at Citibank are assumed by another depository institution pursuant to a merger or consolidation, such Deposits will continue to be separately insured from the Deposits that such holder might have established with the acquirer for six months from the date of assumption or, in the case of the Deposits or other time Deposits, the earliest Maturity Date after the six-month period. Thereafter any assumed Deposits will be aggregated with the existing Deposits with the acquirer held in the same insurable capacity for purposes of federal deposit insurance. Any deposit opened at the acquired institution after the acquisition will be aggregated with Deposits established with the acquirer for purposes of federal deposit insurance.

The application of the federal deposit insurance limitation (which is generally \$250,000 until December 31, 2013 only and \$100,000 thereafter), in certain common factual situations is illustrated below:

### *Individual Customer Accounts*

Funds owned by an individual and held in an account in the name of an agent or nominee of such individual (such as the Deposits held in a brokerage account) are not treated as owned by the agent or nominee, but are added to other Deposits of such individual held in the same insurable capacity and are insured up to the SMDIA in the aggregate.

### *Custodial Accounts*

Funds in accounts held by a custodian, guardian or conservator for the benefit of a ward or a minor (for example, under the Uniform Gifts to Minors Act) are not treated as owned by the custodian, but are added to other Deposits of the minor or other beneficiary held in the same insurable capacity and are insured up to the SMDIA in the aggregate.

### *Joint Accounts*

The interests of co-owners in funds in an account held under any form of joint ownership valid under applicable state law may be insured up to the SMDIA in the aggregate, separately and in addition to the SMDIA allowed on other Deposits individually owned by any of the co-owners of such account (hereinafter referred to as a “Joint Account”). Joint Accounts will be insured separately from such individually owned accounts only if each of the co-owners is an individual person and has a right of withdrawal on the same basis as the other co-owners. If the Joint Account meets the foregoing criteria then it shall be deemed to be jointly owned, provided that the deposit account records of Citibank are clear and unambiguous as to the ownership of the account. However, if the deposit account records are ambiguous or unclear as to the manner in which the deposit account is owned, then the FDIC may consider evidence other than such deposit account records to determine ownership. The names of two or more persons on a Deposit or other deposit instrument will be conclusive evidence that the account is a Joint Account unless the deposit records as a whole are ambiguous and some other evidence indicates that there is a contrary ownership capacity.

In the event an individual has an interest in more than one Joint Account and different co-owners are involved, his interest in all of such Joint Accounts (subject to the limitation that such individual’s insurable interest in any one account may not exceed the SMDIA divided by the number of owners of such account) is then added together and insured up to the SMDIA in the aggregate, with the result that no individual’s insured interest in the joint account category can exceed the SMDIA. For deposit insurance purposes, the co-owners of any Joint Account are deemed to have equal interests in the Joint Account unless otherwise stated in Citibank’s deposit account records.

### *Entity Accounts*

The deposit accounts of any corporation, partnership or unincorporated association that is operated primarily for some purpose other than to increase deposit insurance are added together and insured up to the SMDIA in the aggregate per insured depository institution.

### *Revocable Trust Accounts*

Funds owned by an individual and deposited into a deposit account with respect to which the owner evidences an intention that upon his/her death the funds will belong to one or more named beneficiaries are insured up to the SMDIA for each such named beneficiaries, up to five beneficiaries only, separately from any other deposit accounts of the owner or any beneficiary. For revocable trust accounts with more than five beneficiaries and more than five times the SMDIA, the maximum coverage will be the greater of five times the SMDIA or the aggregate amount of the ownership interests of each beneficiary named in the trust, up to the limit of the SMDIA per different beneficiary. The title of the account must include commonly accepted terms such as “in trust for,” “as trustee for” or “payable-on-death to,” and, for informal revocable trusts commonly referred to as payable-on-death accounts, in-trust-for-accounts or Totten Trust accounts, the beneficiaries must be specifically named in the deposit account records of the insured depository institution. Additionally, a beneficiary must be a person, charity or another non-profit organization (as recognized by the Internal Revenue Service). A revocable trust account established by persons (such as a husband and wife) that names the persons as the sole beneficiaries will be treated as a joint account and insured as described above under “Joint Accounts.” The above information regarding revocable trust accounts is based on an interim rule effective as of the date of this Disclosure Statement, which is subject to change. The final rule on revocable trust account will be applicable to the Deposits.

### *Irrevocable Trust Accounts*

Funds (i.e., trust interests that are capable of determination without evaluation of contingencies) of a beneficiary deposited into one or more deposit accounts established pursuant to one or more irrevocable trust

agreements created by the same settlor (grantor) will be aggregated and insured up to the SMDIA. The deposit insurance of each beneficiary's interest is separate from the coverage provided for other accounts maintained by the settlor (grantor), trustee or beneficiary. When a bankruptcy trustee commingles the funds of two or more bankruptcy estates in the same trust account, the funds of each bankruptcy estate will be added together and insured up to the SMDIA, separately from the funds of any other such estate.

## **Retirement Plans and Accounts**

Deposits are sometimes held in retirement and employee benefit plan accounts. There are many types of plans and accounts. The amount of deposit insurance each will be entitled to and whether Deposits held by the plan or account will be considered separately or aggregated with Deposits of Citibank held in other plans or accounts in determining the amount of deposit insurance such accounts are entitled to will vary depending on the type of plan or account. It is therefore important to understand the type of plan or account holding the Deposit. Moreover, the Federal Deposit Insurance Corporation Improvement Act of 1991, the Federal Deposit Insurance Reform Act of 2005 and regulations enacted by the FDIC to implement these laws made changes to the deposit insurance coverage of Deposits held in retirement plans and accounts. The following sections entitled "*Individual Retirement Accounts and Other 'Self-Directed' Plan Accounts*" and "*Employee Benefit Plans*" discuss the rules that apply to Deposits of retirement plans and accounts.

### *Individual Retirement Accounts and Other "Self-Directed" Plan Accounts*

Deposits in an insured depository institution made in connection with the following types of retirement plans will be aggregated and insured up to \$250,000 per participant (this \$250,000 limit will not automatically be lowered back to \$100,000 after December 31, 2013):

- Any individual retirement account ("IRAs") described in section 408(a) of the Internal Revenue Code of 1986, as amended (the "Code");
- Any eligible deferred compensation plan described in section 457 of the Code;
- Any individual account plan defined in section 3(34) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and any plan described in section 401(d) of the Code, to the extent that participants and beneficiaries under such plans have the right to direct the investment of assets held in individual accounts maintained on their behalf by the plans.

This deposit insurance coverage is separate from, and in addition to, the coverage to which each participant is entitled for Deposits held in the same insured depository institution but in other capacities.

### *Employee Benefit Plans*

With certain limitations and exceptions, any deposit of an Employee Benefit Plan (as defined below) is insured, on a "pass-through" basis, up to the SMDIA for the vested and non-contingent interest in such deposit of each Employee Benefit Plan participant, provided that the account records of the insured depository institution indicate that the deposit is held for the benefit of each Employee Benefit Plan participant, and provided further that the Employee Benefit Plan participants can be identified from the account records of the Employee Benefit Plan administrator. This deposit insurance coverage is separate from, and in addition to, the coverage to which each participant is entitled for Deposits held in the same insured depository institution but in other capacities.

For this purpose, the term "Employee Benefit Plan" has the same meaning given to such term in section 3(3) of ERISA and also includes certain plans described in section 401(d) of the Code, and certain eligible deferred compensation plans described in section 457 of the Code. This includes "Keogh Plans" of owner-employees described in section 401(d) of the Code, tax-qualified pension, profit-sharing or stock bonus plans, and

government and church plans. However, it does not include employee welfare plans (such as health and welfare trust funds, or medical or life insurance plans). Certain Employee Benefit Plans, such as self-directed “Keogh plans,” qualify for “pass-through” deposit insurance up to \$250,000 (even after December 31, 2013).

“Pass-through” insurance means that, instead of the Employee Benefit Plan’s Deposits at one depository institution being entitled to only the SMDIA, each participant in the Employee Benefit Plan is entitled to insurance of his or her interest in the Employee Benefit Plan’s Deposits of up to the SMDIA (subject to the exceptions and limitations noted below).

This general rule regarding pass-through insurance is subject to the following limitations and exceptions:

- *Total Coverage Might Not Equal the SMDIA Times the Number of Participants.* Coverage for a plan’s Deposits is not based on the number of participants, but rather on each participant’s share of the plan. Because plan participants normally have different interests in the plan, insurance coverage cannot be determined by simply multiplying the number of participants by the SMDIA. To determine the maximum amount a plan can have on deposit in a single bank and remain fully insured, first determine which participant has the largest share of the plan assets, then divide the SMDIA by that percentage. For example, if a plan has 20 participants and qualifies for \$250,000 of insurance per participant, but one participant has an 80% share of the plan assets, the most that can be on deposit and remain fully insured is \$312,500 ( $\$250,000 / .80 = \$312,500$ ).
- *Aggregation.* An individual’s non-contingent interests in funds deposited with the same depository institution by different Employee Benefit Plans of the same employer or employee organization are aggregated for purposes of applying this pass-through the SMDIA deposit insurance limit, and are insured in aggregate only up to the SMDIA.
- *Contingent Interests/Overfunding.* Any portion of an Employee Benefit Plan’s Deposits that is not attributable to the non-contingent interests of Employee Benefit Plan participants is not eligible for pass-through deposit insurance coverage, and is insured, in aggregate, only up to the SMDIA.

The foregoing examples are based on rules issued by the FDIC, which rules are subject to change from time to time and in certain instances additional terms and conditions may apply which are not described above.

Accordingly, such examples are qualified in their entirety by such rules, and the holder is urged to discuss with its legal advisors the insurance coverage afforded to any Deposit that it may purchase. Additionally, questions about how Deposits will be insured may be addressed to your broker. Holders may also write to the following address: FDIC Division of Supervision and Consumer Protection, 550 17th Street, N.W., Washington, D.C. 20429.

To the extent that a Deposit purchaser expects its beneficial interest in the Deposits to be fully covered by FDIC insurance, such purchaser, by purchasing a Deposit, is deemed to represent to Citibank and its broker that its beneficial interest (or if it is an agent, nominee, custodian or other person who is purchasing a Deposit for its beneficial owners, that each beneficial owner’s beneficial interest) in other Deposits in Citibank, when aggregated with the beneficial interest in the Deposit so purchased, to the extent that aggregation is required in determining insurance of accounts under the federal deposit insurance regulations, does not exceed the SMDIA or \$250,000 for retirement accounts that qualify for \$250,000 of deposit insurance.

Neither we nor any broker will be obligated to any holder for amounts not covered by deposit insurance nor will we or they be obligated to make any payments to any holder in satisfaction of any loss such holder might incur, including losses that result from (a) a delay in insurance payouts applicable to its Deposit, (b) its receipt of a decreased rate of return on the reinvestment of the proceeds received as a result of a payment on a Deposit prior to its scheduled maturity, (c) payment in cash of the Deposit principal prior to maturity in connection with the liquidation of an insured institution or the assumption of all or a portion of its deposit liabilities at a lower

interest rate or (d) its receipt of a decreased rate of return as compared to the return on the applicable securities, indices, currencies, intangibles, articles, commodities or goods or any other economic measure or instrument, including the occurrence or non-occurrence of any event.

### **Preference in Right of Payment**

Federal legislation adopted in 1993 provides for a preference in right of payment of certain claims made in the liquidation or other resolution of any FDIC-insured depository institution. The statute requires claims to be paid in the following order:

- First, administrative expenses of the receiver;
- Second, any deposit liability of the institution;
- Third, any other general or senior liability of the institution not described below;
- Fourth, any obligation subordinated to depositors or general creditors not described below; and
- Fifth, any obligation to shareholders or members (including any depository institution holding company or any shareholder or creditor of such company).

For purposes of the statute, deposit liabilities include any deposit payable only at an office of the insured depository institution in the United States. They do not include international banking facility Deposits or Deposits payable at an office of the insured depository institution outside the United States.

In addition, in the view of the FDIC, any obligation of an FDIC-insured depository institution that is contingent at the time of the insolvency of the institution may not provide a basis for a claim against the FDIC as receiver for the insolvent institution.

## SECONDARY MARKET

Each broker, including Citigroup Global Markets Inc., though not obligated to do so, may maintain a secondary market in the Deposits. However, each broker may purchase and sell Deposits for its own account, as well as for the accounts of customers. Accordingly, a broker may realize profits from mark-ups on transactions for its own account, and may charge customers commissions in brokerage transactions, which mark-ups or commissions will affect the yield to maturity of such Deposits. Any commission on a brokered secondary market transaction will be reflected in a holder's Confirmation.

Secondary market transactions, if any, may be expected to be effected at prices which reflect then-current interest rates, supply and demand, time remaining until maturity and general market conditions. This means that any secondary market transactions may be effected at prices greater or less than the initial principal amount of your Deposits, and the yield to maturity on a Deposit purchased in any secondary market once the Deposit Return Amount is determined may differ from the yield to maturity on a Deposit purchased at the time of original issuance. The prices at which Deposits may trade in secondary markets, if any, may fluctuate more than ordinary interest-bearing Deposits.

Each broker may at any time, without notice, discontinue participation in any secondary market transactions in Deposits. Accordingly, a holder should not rely on the possible existence of a secondary market for any benefits, including liquidity, achieving trading profits, limiting trading or other losses, or realizing income prior to maturity.

***In the event that you purchase a Deposit in the secondary market at a premium over the principal amount, that premium would not be FDIC insured. Therefore, if FDIC insurance payments become necessary for Citibank, you would incur a loss of up to the amount of the premium paid for your Deposit.***

## CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax considerations that may be relevant to a beneficial owner of a Deposit that is a citizen or resident of the U.S. or a domestic corporation or otherwise subject to U.S. federal income tax on a net income basis in respect of a Deposit (a “U.S. Depositor”). All references to “Depositors” (including U.S. Depositors) are to beneficial owners of the Deposits. This summary is based on U.S. federal income tax laws, regulations, rulings and decisions in effect as of the date of this Disclosure Statement, all of which are subject to change at any time (possibly with retroactive effect).

This summary addresses the U.S. federal income tax consequences to U.S. Depositors who will hold the Deposits as capital assets. This summary does not address all aspects of U.S. federal income taxation that may be relevant to a particular Depositor in light of its individual investment circumstances or to certain types of Depositors subject to special treatment under the U.S. federal income tax laws, such as dealers in securities or foreign currency, financial institutions, insurance companies, tax-exempt organizations, taxpayers holding the Deposits as part of a “straddle,” “hedge,” “conversion transaction,” “synthetic security” or other integrated investment or taxpayers that have a “functional currency” other than the U.S. dollar. Moreover, the effect of any applicable state, local or foreign tax laws is not discussed. Depositors should consult their own tax advisors in determining the tax consequences to them of owning Deposits.

*In light of the variety of possible measures to which the return on a Deposit may be linked and possible payment features of a Deposit, the following discussion provides only a general summary of the applicable U.S. federal income tax considerations in connection with Deposits. Special rules may be applicable to a Deposit depending on the terms of the Deposit. Any special U.S. federal income tax considerations relevant to a Deposit, and any information specific to the Deposit, will be provided in the applicable Disclosure Supplement for that Deposit. This summary should therefore be read in conjunction with the information in the applicable Disclosure Supplement.*

### **U.S. Treasury Circular 230 Notice**

The tax discussions contained in this Disclosure Statement were written for use in connection with the promotion or marketing of the transactions or matters addressed in this Disclosure Statement. These discussions were not intended or written to be used, and cannot be used, for the purpose of avoiding U.S. tax penalties. Investors should consult their own tax advisors in determining the tax consequences to them of holding the Deposits, including the application to their particular situation of the U.S. tax issues discussed, as well as the application of state, local, foreign, or other tax laws.

### **Tax Characterization of Deposits**

A Deposit will be treated for U.S. federal income tax purposes as a debt instrument issued by Citibank. The following discussion is limited to Deposits (a) that pay interest determined by reference to a “qualified floating rate” or an “objective rate” (as defined below) in cash on a semi-annual, monthly or other similar periodic basis at least annually throughout the term of the Deposit (a “Variable Rate Deposit”), (b) that have a single market-linked interest payment at maturity and that are subject to U.S. Treasury regulations governing contingent debt instruments (the “Contingent Debt Regulations”) or (c) that have a maturity of one year or less and that provide for contingent interest payments (a “Contingent Short-Term Deposit”). This discussion does not address Deposits that are not described in the previous sentence, including Deposits paying a fixed rate of interest, Variable Rate Deposits that are issued with “original issue discount” (“OID”), Deposits that have a maturity of one year or less which do not provide for contingent interest payments, Deposits with interest determined by reference to one or more foreign currencies or Deposits with extendable maturity dates or that are subject to automatic renewal or rollover, all of which may be subject to rules not described herein. The U.S. federal income tax treatment of Deposits that are not discussed herein will be discussed in the applicable Disclosure Supplement. The applicable Disclosure Supplement will indicate whether a Deposit is a Variable Rate Deposit, a Contingent Short-Term

Deposit, is subject to the Contingent Debt Regulations or is subject to different rules and will describe any additional applicable rules.

### **U.S. Depositors — Variable Rate Deposits**

*Taxation of Interest.* A Variable Rate Deposit is a Deposit that qualifies as a variable rate debt instrument under applicable U.S. Treasury regulations. A Deposit with contingent interest payments may qualify as a variable rate debt instrument if the interest is payable at least annually at a “qualified floating rate” or at an “objective rate.” A “qualified floating rate” is generally any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the variable rate debt instrument is denominated. An “objective rate” is generally a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information. Amounts received as interest on a Variable Rate Deposit will be taxable to a U.S. Depositor as ordinary interest income at the time that such payments are accrued or are received (in accordance with the U.S. Depositor’s method of tax accounting).

*Disposition of Deposit.* Upon the sale, exchange, redemption or retirement of a Deposit, a U.S. Depositor generally will recognize capital gain or loss equal to the difference between the amount realized on the sale, exchange, redemption or retirement and the U.S. Depositor’s tax basis in such Deposit. A U.S. Depositor’s tax basis in a Deposit generally will equal the cost of such Deposit to such Depositor. Gain or loss recognized by a U.S. Depositor generally will be long-term capital gain or loss if the U.S. Depositor has held the Deposit for more than one year at the time of disposition. Long-term capital gains recognized by an individual holder generally are subject to tax at a lower rate than short-term capital gains or ordinary income. The deductibility of capital losses is subject to limitations.

### **U.S. Depositors — Deposits Subject to Contingent Debt Regulations**

*Taxation of Interest.* A U.S. Depositor owning Deposits subject to the Contingent Debt Regulations will recognize income (or loss) on a Deposit in accordance with these regulations. The Contingent Debt Regulations require the application of a “noncontingent bond method” to determine accruals of income, gain, loss and deductions with respect to a contingent debt obligation. Under the Contingent Debt Regulations, Citibank is required to determine a “comparable yield” for a Deposit. As described in more detail below, a U.S. Depositor owning a Deposit subject to the Contingent Debt Regulations will be required under the U.S. federal income tax rules applicable to debt instruments issued with OID to accrue interest on a Deposit at the comparable yield. A U.S. Depositor’s taxable income for each year prior to maturity of a Deposit therefore is likely to be higher than the amount of payments, if any, made on the Deposit in that year.

The comparable yield means the annual yield at which Citibank would issue, as of the initial date of deposit, a fixed-rate debt instrument that does not provide for contingent payments but that otherwise has terms and conditions comparable to those of the Deposit. In addition, solely for purposes of determining the amount of interest income that a U.S. Depositor will be required to accrue, Citibank also is required to construct a “projected payment schedule” in respect of a Deposit. The payments set forth on the schedule must produce a total return on the Deposit equal to the comparable yield. The projected payment schedule includes fixed or floating periodic interest payments if the terms of the Deposit so provide, and a payment at maturity (the “Projected Payment Amount”). The Projected Payment Amount is calculated as the amount required to produce the comparable yield, taking into account the Deposit’s issue price, and periodic interest payments, if any, on the Deposit. The Disclosure Supplement for a Deposit will provide the applicable comparable yield and the schedule of projected payments with respect to a Deposit. *The comparable yield and the Projected Payment Amount are used to determine accruals of interest FOR TAX PURPOSES ONLY and are not assurances or predictions by Citibank with respect to the actual yield of or payment to be made in respect of a Deposit. The comparable yield and the Projected Payment Amount do not necessarily represent Citibank’s expectations regarding such yield or the amount of such payment.*

Under the OID rules, a U.S. Depositor will be required to include as ordinary interest income the sum of the “daily portions” of OID with respect to the Deposit for each day during the taxable year that the U.S. Depositor owns the Deposit. The daily portions of OID with respect to a Deposit are determined by allocating to each day in any accrual period a ratable portion of the OID allocable to that accrual period. The amount of OID on a Deposit allocable to each accrual period is determined by multiplying the “adjusted issue price” (as defined below) of the Deposit at the beginning of the accrual period by the comparable yield of the Deposit (appropriately adjusted to reflect the length of the accrual period). The “adjusted issue price” of a Deposit at the beginning of any accrual period will generally be the sum of its issue price and the amount of OID allocable to all prior accrual periods, less the amounts of any payments made in all prior accrual periods.

*Disposition of Deposits.* When a U.S. Depositor sells, exchanges or otherwise disposes of a Deposit (including upon repayment of the Deposit at maturity) (a “disposition”), the U.S. Depositor’s gain (or loss) on such disposition will equal the difference between the amount received by the U.S. Depositor for the Deposit and the U.S. Depositor’s tax basis in the Deposit. A U.S. Depositor’s tax basis (i.e., adjusted cost) in a Deposit will be equal to the U.S. Depositor’s original purchase price for such Deposit, plus any OID accrued by the U.S. Depositor, less the amount of any payments previously received.

If the amount received with respect to a Deposit at maturity exceeds the Projected Payment Amount, the U.S. Depositor will be required to include such excess in income as ordinary income. Alternatively, if the amount received at maturity is less than the Projected Payment Amount, then a U.S. Depositor will have recognized taxable income in periods prior to maturity that exceeds that Depositor’s economic income from holding the Deposit during such periods. The difference between the Projected Payment Amount and the amount received at maturity will be treated as an offset to any interest otherwise includible in income by the U.S. Depositor with respect to the Deposit for the taxable year in which maturity occurs, but only to the extent of the amount of such includible interest. Any remaining portion of such shortfall may be recognized and deducted by the U.S. Depositor as an ordinary loss to the extent of the U.S. Depositor’s previous OID inclusions with respect to the Deposit.

On a disposition of a Deposit other than repayment of a Deposit at maturity, any gain realized by a U.S. Depositor will be treated as ordinary interest income. Any loss realized by a U.S. Depositor on a disposition will be treated as an ordinary loss to the extent of the U.S. Depositor’s OID inclusions with respect to the Deposit up to the date of disposition. Any loss realized in excess of such amount generally will be treated as a capital loss.

#### **U.S. Depositors — Contingent Short-Term Deposits.**

*Taxation of Interest.* A Deposit will be considered to be a Contingent Short-Term Deposit if it has a maturity of one year or less and provides for one or more contingent interest payments. The rules applicable to short-term debt obligations do not address how to accrue income with respect to a future contingent payment. Taxpayers using an accrual method of accounting generally are not required to include amounts in income until all the events have occurred that fix the right to receive the income and the amount of the income can be determined with reasonable accuracy. Accordingly, although no assurance can be given that the Internal Revenue Service will accept, or that a court will uphold, the following tax treatment, a Depositor should not be required to include amounts in income in respect of a market-linked interest payment on a Contingent Short-Term Deposit prior to the date on which the amount of such payment becomes fixed. Market-linked payments will be treated as interest, and taxed as ordinary income.

*Disposition of Deposits.* Upon the sale, exchange or retirement of a Contingent Short-Term Deposit, a U.S. Depositor generally will recognize short-term capital gain or loss equal to the difference between the amount received on the sale, exchange or retirement (except to the extent such amount is attributable to accrued interest income, if any, which is taxable as ordinary income), and such Depositor’s tax basis in the Contingent Short-Term Deposit. A U.S. Depositor’s tax basis in a Contingent Short-Term Deposit generally will equal the cost of the Contingent Short-Term Deposit to such Depositor.

## **U.S. Depositors — Information Reporting and Backup Withholding.**

Information returns may be required to be filed with the IRS relating to payments made to a particular U.S. Depositor. In addition, U.S. Depositors that are not corporations, tax-exempt organizations or otherwise treated as “exempt recipients” may be subject to backup withholding tax on such payments if they do not provide their taxpayer identification numbers to the applicable withholding agent in the manner required.

## **Non-U.S. Depositors**

The following is a summary of certain U.S. federal income tax consequences that will apply to Non-U.S. Depositors. The term “Non-U.S. Depositor” means a beneficial owner of a Deposit that is a foreign corporation or nonresident alien. **Non-U.S. Depositors should consult their own tax advisors to determine the U.S. federal, state and local and any foreign tax consequences that may be relevant to them.**

*Payments with Respect to the Deposits.* In general, a Non-U.S. Depositor will not be subject to backup withholding and information reporting with respect to payments made with respect to the Deposits provided that (i) the Non-U.S. Depositor certifies on Internal Revenue Service Form W-8BEN (or successor form), under penalties of perjury, that it is not a U.S. person and provides its name and address or otherwise satisfies applicable documentation requirements and (ii) Citibank does not have actual knowledge or reason to know that such Non-U.S. Depositor is a U.S. person. In addition, no backup withholding will be required regarding the proceeds of the sale of the Deposits made within the U.S. or conducted through certain U.S. financial intermediaries if the applicable withholding agent receives the statement described above and does not have actual knowledge or reason to know that the Non-U.S. Depositor is a U.S. person or the Non-U.S. Depositor otherwise establishes an exemption.

Under current law, all payments on the Deposits made to a Non-U.S. Depositor, and any gain realized on a sale, exchange or redemption of the Deposits, will be exempt from U.S. income and withholding tax.

*U.S. Federal Estate Tax.* A Deposit beneficially owned by a Non-U.S. Depositor who at the time of death is neither a resident nor citizen of the U.S. should not be subject to U.S. federal estate tax, provided that interest in the Deposits is not then effectively connected with the conduct of a U.S. trade or business.

## **Recent Legislative Developments Potentially Affecting Taxation of Deposits Held By or Through Foreign Entities**

Proposed legislation recently introduced in the United States Congress would generally impose a withholding tax of 30 percent on interest income from debt instruments and the gross proceeds of a disposition of debt instruments paid to a foreign financial institution, unless such institution enters into an agreement with the U.S. government to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which would include certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners). The proposed legislation would also generally impose a withholding tax of 30 percent on interest income from the Deposits and the gross proceeds of a disposition of the Deposits paid to a non-financial foreign entity unless such entity provides the withholding agent with a certification identifying the direct and indirect U.S. owners of the entity. Under certain circumstances, a Non-U.S. Depositor might be eligible for refunds or credits of such taxes. Investors are encouraged to consult with their own tax advisors regarding the possible implications of this proposed legislation on their investment in the Deposits.

## ERISA MATTERS

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes certain restrictions on employee benefit plans that are subject to ERISA and on persons who are fiduciaries with respect to those plans. In accordance with ERISA’s general fiduciary requirements, a fiduciary with respect to any such plan who is considering the purchase of Deposits on behalf of the plan should determine whether the purchase is permitted under the governing plan documents and is prudent and appropriate for the plan in view of its overall investment policy and the composition and diversification of its portfolio.

Each purchaser of Deposits or any interest therein will be deemed to have represented and warranted on each day from and including the date of its purchase or other acquisition of the Deposits through and including the date of disposition of such Deposits that either: (a) it is not (i) an employee benefit plan subject to the fiduciary responsibility provisions of ERISA, (ii) an entity with respect to which part or all of its assets constitute assets of any such employee benefit plan by reason of C.F.R. 2510.3-101 or otherwise, (iii) a plan described in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (the “Code”) (for example, individual retirement accounts, individual retirement annuities of Keogh plans), or (iv) a government or other plan subject to federal, state or local law substantially similar to the fiduciary responsibility provisions of ERISA or Section 4975 of the Code ((i), (ii), (iii) and (iv) collectively, “Plans”); or (b) if it is a Plan, none of Citibank, N.A., its affiliates or any employee thereof manages the Plan or provides advice that serves as a primary basis for the Plan’s decision to purchase, hold or dispose of the Deposits. However, individual retirement accounts, individual retirement annuities and Keogh plans, as well as employee benefit plans that permit participants to direct the investment of their accounts, will not be permitted to purchase or hold the Deposits if the account, plan or annuity is for the benefit of an employee of Citigroup Global Markets or a family member and the employee receives any compensation (such as, for example, an addition to bonus) based on the purchase of Deposits by the account, plan or annuity.

## DISCLOSURE STATEMENT

### Citibank, N.A. PRINCIPAL-PROTECTED MARKET-LINKED CERTIFICATES OF DEPOSIT PROGRAM

#### General Terms of Deposits

The following terms will generally apply to the Principal-Protected Market-Linked Certificates of Deposit (the “Deposits”) that we, Citibank, N.A. (“Citibank”), will accept from time to time using this disclosure statement. We will include information on the specific terms of each offering of Deposits in a Disclosure Supplement to this disclosure statement that we will deliver to prospective depositors. You should read this disclosure statement and the accompanying Disclosure Supplement carefully before you invest. If the terms described in the applicable Disclosure Supplement are inconsistent with the terms specified in this disclosure statement, you should rely on the terms specified in the Disclosure Supplement. The final terms set forth in a final Disclosure Supplement will supersede the preliminary terms set forth in the related preliminary Disclosure Supplement. The Deposits will be made available through Citigroup Global Markets Inc. and other agents or brokers, as indicated in the accompanying Disclosure Supplement.

- Principal Protection:** At maturity, you will receive a payment equal to at least the principal amount of your Deposits.
- Additional Payment at Maturity:** A deposit return amount, if any, payable at maturity will be linked to one of the following: (i) shares of a company; (ii) shares of an Exchange Traded Fund (“ETF”); (iii) American Depositary Receipts (“ADRs”) representing shares of a company; (iv) commodities; (v) currencies; (vi) any other financial, economic or other measure or instrument, including interest rates; (vii) an index comprising any combination of one or more of (i) through (vi) above, including an equity index, commodity index or currency index; or (viii) a basket comprising any combination of one or more of (i) through (vii) above. We refer to each of (i) through (viii) above as an “Underlying Benchmark”.
- Periodic Interest, if any:** Fixed, variable, floating or indexed rates. Any variable, floating or indexed rate may be adjusted by adding or subtracting a specific spread or margin or by applying a spread factor. Any indexed rate may be linked to an Underlying Benchmark.
- Call Feature, if any:** The Deposits may be callable by Citibank in its discretion or may be subject to a mandatory call.
- Other Terms:** You should review “Description of the Deposits” below and the accompanying Disclosure Supplement for specific features that apply to your Deposits.

**Investing in the Deposits involves a number of risks. Consider carefully the information under “Risk Factors Relating to the Deposits” beginning on page 9 of this disclosure statement and “Risk Factors,” or equivalent section, of the Disclosure Supplement applicable to a particular offering of Deposits.**

The Deposits will be obligations of Citibank only and not obligations of your broker, Citigroup Global Markets Inc. or Citigroup Inc.

The principal amount of and accrued interest on any deposit is insured by the Federal Deposit Insurance Corporation (the “FDIC”) within the limits and to the extent described in this disclosure statement — generally, up to \$250,000 through December 31, 2013 only and \$100,000 after December 31, 2013 per depositor in each

insurable capacity (e.g., individual, joint account, etc.) with Citibank, N.A., and up to \$250,000 per participant in the case of certain self-directed retirement accounts deposited with Citibank, N.A. These FDIC insurance limits are effective as of the date of this disclosure statement and are subject to change. The Deposits will be insured up to applicable FDIC insurance limits effective from time to time. A depositor purchasing a principal amount of Deposits that is in excess of \$250,000 or \$100,000, as the case may be, or which, **together with other Deposits it maintains at Citibank in the same insurable capacity**, is in excess of such limits should not rely on the availability of deposit insurance with respect to such excess. In addition, periodic interest not yet accrued and/or the deposit return amount (as defined herein) payable at maturity, if any, may not be insured by the FDIC. Moreover, any secondary market premium paid by a depositor above the principal amount of the Deposits will not be insured by the FDIC.

December 31, 2009

**TABLE OF CONTENTS**

WHERE YOU CAN FIND MORE INFORMATION .....	4
CITIBANK, N.A. ....	5
DESCRIPTION OF THE DEPOSITS .....	6
RISK FACTORS RELATING TO THE DEPOSITS .....	9
PROVISIONS RELATING TO THE UNDERLYING BENCHMARK .....	20
EVIDENCE OF THE DEPOSITS .....	25
DEPOSIT INSURANCE .....	26
SECONDARY MARKET .....	31
CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS .....	32
ERISA MATTERS .....	36

## WHERE YOU CAN FIND MORE INFORMATION

This disclosure statement incorporates by reference the reports and other information that we have filed previously, or may file in the future, with the Comptroller of the Currency (the “Comptroller”). This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this disclosure statement, and information that we file later with the Comptroller will automatically update information in this disclosure statement. In all cases, you should rely on the later information over different information included in this disclosure statement or the Disclosure Supplement.

Citibank submits quarterly to the Comptroller certain reports called “Consolidated Reports of Condition and Income for a Bank With Domestic and Foreign Offices” (“Call Reports”). The Call Reports are on file with and publicly available at the Comptroller’s offices at 250 E Street, S.W., Washington, D.C. 20219 and are also available on the web site of the FDIC (<http://www.fdic.gov>). Each Call Report consists of a Balance Sheet, Income Statement, Changes in Equity Capital and other supporting schedules at the end of and for the period to which the report relates. The Call Reports are prepared in accordance with regulatory instructions issued by the Federal Financial Institutions Examination Council. While the Call Reports are supervisory and regulatory documents, not primarily accounting documents, and do not provide a complete range of financial disclosure about Citibank, the reports nevertheless provide important information concerning the financial condition and results of operations of Citibank. Citibank’s Call Report as of the close of business on September 30, 2009 is incorporated herein by reference. Any subsequent Call Reports filed by Citibank with the Comptroller until the later of (1) the completion of the offering of Deposits described in this disclosure statement and (2) the date the broker-dealer affiliates of Citibank stop offering Deposits pursuant to this disclosure statement are also incorporated herein by reference.

You may request a copy of any of these filings, at no cost, by writing or telephoning Citigroup Inc., the parent holding company of Citibank, at the following address:

Corporate Regulatory Reporting  
c/o Peter Bieszard  
909 3rd Ave.  
New York, NY 10022  
212-559-4118

## **CITIBANK, N.A.**

Citibank, N.A. was originally organized on June 16, 1812, and now is a national banking association organized under the National Bank Act of 1864. Citibank is an indirect wholly-owned subsidiary of Citigroup Inc., a Delaware holding company.

Citibank is a commercial bank that, along with its subsidiaries and affiliates, offers a wide range of banking and trust services to its customers throughout the United States and the world.

As a national bank, Citibank is a regulated entity permitted to engage only in banking and activities incidental to banking. Citibank's earnings may be affected by certain monetary policies of the Board of Governors of the Federal Reserve System. Citibank is primarily regulated by the Office of the Comptroller of the Currency (the "Comptroller"), which also examines its loan portfolios and reviews the sufficiency of its allowance for credit losses.

Citibank's Deposits at its U.S. branches are insured by the Federal Deposit Insurance Corporation (the "FDIC") and are subject to FDIC insurance assessments. Citibank may, under certain circumstances, be obligated for the liabilities of its affiliates that are FDIC-insured depository institutions. As of the date of this disclosure statement, Citibank's FDIC-insured depository affiliates include: Citibank (South Dakota), National Association; Citicorp Trust Bank, fsb; Department Stores National Bank; and Citibank (Banamex USA).

Under U.S. law, Deposits in U.S. offices and certain claims for administrative expenses and employee compensation against a U.S. insured depository institution which has failed will be afforded a priority over other general unsecured claims, including Deposits in non-U.S. offices and claims under non-depository contracts in all offices, against such an institution in the "liquidation or other resolution" of such an institution by any receiver. Such priority creditors (including the FDIC, as the subrogee of insured depositors) of such FDIC-insured depository institution will be entitled to priority over unsecured creditors in the event of a "liquidation or other resolution" of such institution.

The principal place of business of Citibank is 399 Park Avenue, New York, NY 10043, and its telephone number is (212) 559-1000.

## DESCRIPTION OF THE DEPOSITS

The following briefly summarizes the general terms of the Principal-Protected Market-Linked Certificates of Deposit (the “Deposits”) being offered by this Disclosure Statement. The Disclosure Supplement for each offering of Deposits will contain the specific information and terms for those Deposits. If any information in the Disclosure Supplement is inconsistent with this Disclosure Statement, you should rely on the information in the Disclosure Supplement. The Disclosure Supplement may also add, update or change information contained in this Disclosure Statement. It is important for you to consider the information contained in this Disclosure Statement and the applicable Disclosure Supplement in making your investment decision.

Prospective purchasers of Deposits should be aware of special United States federal income tax considerations applicable to instruments such as the Deposits. These tax considerations are described below in “Certain U.S. Federal Income Tax Consequences” and in the Disclosure Supplement relating to each offering of Deposits. The summary of United States federal income tax considerations contained herein and in the Disclosure Supplement are presented for informational purposes only, however, and not to be intended as legal or tax advice to prospective depositors. You are urged to consult your tax advisors before investing in any Deposits.

### General

Each Deposit you hold will have a maturity of at least seven calendar days and will entitle you to receive from Citibank at maturity a payment equal to at least the principal amount of your Deposits. The Deposits will mature on the date indicated in the applicable Disclosure Supplement. Unless otherwise specified in the applicable Disclosure Supplement, Deposits will not be automatically renewed or rolled over and interest on the Deposits, if any, will not continue to accrue, or, in the case of zero coupon Deposits, accrete, after maturity.

A Deposit Return Amount payable at maturity, if any, or the periodic interest payment, if any, will be determined by referring to a formula or methodology calculated on the basis of prices, values, rates, levels or other specified objective measures in respect of one of the following: (i) shares of a company; (ii) shares of an Exchange Traded Fund (“ETF”); (iii) American Depositary Receipts (“ADRs”) representing shares of a company; (iv) commodities; (v) currencies; (vi) any other financial, economic or other measure or instrument, including interest rates; (vii) an index comprising any combination of one or more of (i) through (vi) above, including an equity index, commodity index or currency index; or (viii) a basket comprising any combination of one or more of (i) through (vii) above. We refer to each of (i) through (viii) above as an “Underlying Benchmark”, provided that, depending on the specific Underlying Benchmark and for purposes of the accompanying Disclosure Supplement, the term Underlying Benchmark used in this Disclosure Statement may mean the “Underlying Equity”, the “Underlying Commodity”, the “Underlying Currency”, the “Underlying Index”, the “Underlying Basket”, or any other applicable term as defined in such Disclosure Supplement.

We refer to the applicable issuing company or ETF as the Underlying Issuer. We refer to the publisher of the applicable index, commodity, or currency as the Index Publisher, the Commodity Publisher or the Currency Publisher, respectively.

The Disclosure Supplement for a particular offering of Deposits will describe the formula or methodology to be applied to the relevant Underlying Benchmark to determine the Deposit Return Amount or periodic interest payment.

The Pricing Date means the date on which the particular offering of Deposits are priced for initial sale to the public, as specified in the applicable Disclosure Supplement.

The final Valuation Date or periodic Valuation Dates will be specified in the applicable Disclosure Supplement.

Deposits will be available with a variety of terms and features. The applicable Disclosure Supplement relating to any offering of Deposits will describe the following: the Maturity Date of the Deposits; the measure or measures by which the Deposit Return Amount, if any, will be determined; certain information regarding the Underlying Benchmark; the periodic interest rate and the method of computing the periodic interest rate, if applicable; the date or dates from which any interest will accrue, or how such dates will be determined, and the interest payment date or dates and any related record dates, if applicable; the currency or currencies in which the Deposits are denominated, and in which payments or distributions on the Deposits will be made; the amount of cash due, or the means by which the amount of cash due may be calculated, upon early redemption or withdrawal, if applicable, of the Deposits; the method by which the Deposits may be redeemed or withdrawn before maturity, if applicable; the terms under which the Deposits may be called by Citibank before maturity, if applicable; the terms of the mandatory call, if applicable; the time or times at which amounts will be payable or distributable in respect of the Deposits following an early redemption or withdrawal or call, if applicable; the method by which the Maturity Date of the Deposits may be extended by Citibank, if applicable; a discussion of certain United States federal tax considerations; and any other terms of such Deposits.

### **Fixed, Variable, Floating or Indexed Interest**

The Deposits may bear interest at a fixed rate, variable rate, floating rate, or indexed rate. Any variable rate, floating rate or indexed rate may be adjusted by adding or subtracting a specific spread or margin or by applying a spread factor. Any indexed rate may be linked to an Underlying Benchmark, as described above. In each case, interest, if any, will be computed as specified in the applicable Disclosure Supplement. Unless otherwise specified in the applicable Disclosure Supplement, interest on the Deposits will not be compounded.

### **Zero-Coupon Deposits**

Unless otherwise specified in the applicable Disclosure Supplement, any Deposits that are designated zero-coupon Deposits will not bear periodic interest but will be issued at a discount from the face or par amount. Interest on a zero-coupon Deposit will “accrete” at an established rate, and you will receive the par amount of such Deposit at maturity.

### **Additional Deposits**

After an initial deposit in the Deposits is made, no additional Deposits are permitted. When you purchase a Deposit, you agree with us to keep your funds on deposit for the complete term of the Deposit. Accordingly, unless otherwise provided in the applicable Disclosure Supplement, no early redemptions or withdrawals of Deposits will be available under any circumstances, including the death or adjudication of incompetence of any depositor.

### **Periodic Early Redemptions or Limited Early Withdrawals**

If the applicable Disclosure Supplement provides for periodic early redemptions or limited early withdrawals, including upon the death or adjudication of incompetence of any depositor, such Disclosure Supplement will set forth the procedure to be followed to early redeem your Deposits and the method for calculating the early redemption amount. Upon early redemption or withdrawal of a Deposit, the amount you receive may be less, and possibly significantly less, than the principal amount of your Deposit.

The amount you receive upon early redemption of the Deposits for each Deposit will equal the sum of a) the Market Value of the Deposits on the relevant minus b) the applicable Early Redemption Fee. The Market Value will equal the market value of Deposit on the redemption date, as determined in the sole discretion of the Calculation Agent. The Market Value will depend on a number of different factors, some of which are

interrelated in complex ways. Such factors include: (i) the level of the Underlying Benchmark; (ii) the implied volatility of the Underlying Benchmark; (iii) hedging activities related to the Deposits by one or more of our affiliates; (v) the U.S. interest rates; and (vi) the period of time between the relevant early redemption date and the Maturity Date. The Early Redemption Fee will decrease over the term of the Deposits and the various amounts of Early Redemption Fee will be specified in the applicable Disclosure Supplement.

**The amount you receive upon early redemption may be significantly less than the principal amount of your Deposits. Only Deposits held to maturity will be entitled to a return of 100% of the principal amount of the deposit at maturity, subject to the early withdrawal rules in the event of death or incompetence.**

In the event we were to fail between an early redemption date (as defined and specified in the applicable Disclosure Supplement) and the time you receive the early redemption amount (as defined and specified in the applicable Disclosure Supplement), the amount of the early redemption amount in excess of the principal amount of the Deposits, if any, will not be FDIC insured.

Early withdrawals in whole, but not in part, will be permitted for 100% of the principal amount of the Deposits only in the event of the death of the beneficial owner of a Deposit or the adjudication of incompetence of any such beneficial owner by a court or other administrative body of competent jurisdiction. Such beneficial owner must have beneficially owned the Deposits being submitted for early withdrawal (a) at the time of his or her death or adjudication of incompetence and (b) since the initial deposit date of the Deposits.

Please refer to the Disclosure Supplement applicable to a particular offering of Deposits for additional information regarding periodic early redemptions and limited early withdrawals.

#### **Early Call at the Option of Citibank and Mandatory Call**

If the applicable Disclosure Supplement provides for early call of the Deposits at our option or for mandatory call, such Disclosure Supplement will set forth the dates on which the Deposits may be called, the terms of the mandatory call, if applicable, the details of the notice of call that we will provide to you and the method for calculating the call price you will be entitled to receive. If the Deposits are paid off prior to maturity as a result of a call by Citibank your return could be less than the yield that the Deposits would have earned had they been held to maturity. If the Deposits are called prior to maturity as result of the mandatory call, you will receive only the applicable call price, plus accrued and unpaid interest, if any, and you will not receive any Deposit Return Amount.

In the event we were to fail between the time notice of call is given and the time you receive the call price (each, as described in the applicable Disclosure Supplement), the amount of the call price in excess of the principal amount of the Deposit, if any, will not be FDIC insured.

#### **Extendable Maturity at the Option of Citibank**

If the applicable Disclosure Supplement provides for the extendibility of the Maturity Date of the Deposits at our option, such Disclosure Supplement will set forth the exact dates on which the maturity of the Deposits may be extended and will describe the substance of the notice of extension that we will provide to you.

#### **Transferability**

You may transfer your Deposit, provided you follow the procedure required by your broker in order to ensure such transfer is reflected in your broker's records. The transfer of a Deposit will not be subject to any Early Redemption Fee, but you maybe required to pay an amount equal to any taxes or government charges payable in connection with such transfer.

## **RISK FACTORS RELATING TO THE DEPOSITS**

The purchase of the Deposits involves a number of significant risks. While some of the risk considerations are summarized below, please review the information under “Risk Factors,” or equivalent section, of the applicable Disclosure Supplement for specific risks with respect to a particular offering of Deposits.

### **The Return on Your Deposits May Be Zero**

The Deposits may not bear interest. Periodic interest payments, if any, may vary based upon the performance of the Underlying Benchmark and may be zero. Any deposit return amount payable at maturity will vary based upon the performance of the Underlying Benchmark and may be zero. Because of the possibility of a zero return or zero interest, the Deposits may provide less opportunity for return than an investment that would permit you to participate fully in the performance of the Underlying Benchmark (if the Underlying Benchmark is shares of a company, ETF shares, ADRs, commodities or currencies), or in the stocks, currencies or commodities comprised in the Underlying Benchmark (if the Underlying Benchmark is an ETF, an index or a basket).

### **No Principal Protection Unless You Hold the Deposits to Maturity or Call by us**

Except in particular circumstances entitling you to early withdrawal without penalty, you will be entitled to receive at least the full principal amount of your Deposits only if you hold the Deposits to maturity or call by us, if applicable. The value of the Deposits in the secondary market, if any, may fluctuate. Therefore, you may receive substantially less than your initial investment if you sell your Deposits in the secondary market, if any, prior to maturity.

### **The Yield on the Deposits May Be Lower Than the Yield on a Standard Certificate of Deposit of Comparable Maturity**

The terms of the Deposits differ from those of conventional certificates of deposit in that the Deposits may not bear interest or interest payments may vary based upon the performance of the Underlying Benchmark and may be zero. As a result, the effective yield on the Deposits may be less than that which would be payable on a standard Citibank certificate of deposit of comparable maturity bearing a fixed interest rate or variable interest rate. Even if you receive a deposit return amount at maturity such return may not compensate you for the loss in value due to inflation and other factors relating to the value of money over time.

### **You Will Not Receive Any Periodic Payments on the Deposits Unless Specified**

You will not receive any periodic payments of interest on the Deposits unless specified otherwise in the applicable Disclosure Supplement and according to the terms specified therein.

### **FDIC Insurance Will Not Cover the Deposit Return Amount, if any, Until the Relevant Valuation Date or Determination Date**

Because the deposit return amount, if any, is calculated using the level of the Underlying Benchmark on the final Valuation Date, the deposit return amount payable to a holder of the deposit will not be fixed until the final Valuation Date, as specified in the applicable Disclosure Supplement. Similarly, the periodic interest, if any, will not accrue to a holder of the deposit until the periodic interest Valuation Date or determination date, as specified in the applicable Disclosure Supplement. Accordingly, any potential deposit return amount or periodic interest will not be eligible for federal deposit insurance prior to the relevant Valuation Date or determination date. Any amounts not covered by federal deposit insurance are fully subject to the credit risk of Citibank.

**Any Deposit Amounts in Excess of the Applicable Maximum Insured Amount are Subject to Citibank’s Credit Risk**

You are responsible for monitoring the total amount of Deposits, including Deposits, you hold in the same insurable capacity with Citibank. Any amounts in excess of the maximum amount insured by the FDIC, as “uninsured Deposits,” — generally, more than \$250,000 through December 31, 2013 only and \$100,000 after December 31, 2013 for all Deposits and more than \$250,000 for all self-directed retirement accounts — will be subject to the credit risk of Citibank. These FDIC insurance limits are effective as of the date of this disclosure statement and could change during the term of the Deposits. The Deposits will be insured up to applicable FDIC insurance limits effective from time to time.

Except to the extent insured by the FDIC, the Deposits are not otherwise insured by any governmental agency or instrumentality or any other person.

**Your Deposits May Be Affected by the Insolvency of Citibank**

In the event that Citibank approaches insolvency or becomes insolvent, Citibank may be placed in regulatory conservatorship or receivership with the FDIC, typically appointed the conservator or receiver. The FDIC may thereafter pay off the Deposits prior to maturity or transfer the Deposits to another depository institution. If the Deposits are transferred to another institution, you may be offered a choice of retaining the Deposits at a lower interest rate or having the Deposits paid off. See the section “Deposit Insurance” below for additional information.

**You May Face Reinvestment Risk if Your Deposits Are Paid Off Prior to Maturity**

If your Deposits are paid off prior to maturity as a result of Citibank’s insolvency, exercise by Citibank of any right to call the deposit, if applicable, mandatory call of the Deposits, if applicable, or a voluntary early withdrawal, if applicable, you may be unable to reinvest your funds at the same rate as your original deposit. Citibank is not responsible to you for any losses you may incur as a result of a lower interest rate on an investment replacing your deposit.

**Variable-Rate, Floating-Rate and Indexed-Rate Deposits May Pay Less than Fixed-Rate Deposits of the Comparable Maturity**

Deposits earning interest at a variable, floating or indexed interest rate present different investment considerations from those with fixed rates. Depending on the terms of the variable-rate, floating-rate or indexed-rate deposit and the interest rate environment generally, the return on a deposit with a variable, floating or indexed interest rate may pay substantially less interest than a conventional fixed-rate deposit of the same maturity. Furthermore, if the deposit is subject to a call by us and we call the deposit, or if the deposit is subject to a mandatory call, you may not receive the benefits of any anticipated increase in rates paid on a variable, floating or indexed interest rate deposit. Similarly, you may be required to hold the deposit at a lower rate than prevailing market interest rates if the deposit does not provide for redemption prior to maturity.

**Deposits that are Callable by Citibank in Its Discretion Involve Additional Risks and May Not Be Suitable For Every Investor**

Callable Deposits present different investment considerations from non-callable Deposits and may not be suitable for every investor. You should carefully consider the information provided in the applicable Disclosure Supplement, including the time periods when Citibank may call the deposit. The decision whether to call a deposit before maturity in accordance with its terms is in Citibank’s sole discretion. Citibank is not obligated to

call the Deposits, and will call them, if at all, when it is most advantageous to Citibank to do so, without reference to your investment needs. Depending on the terms of the Deposits, you may face the risk that: the deposit may be paid off prior to maturity as a result of a call by Citibank and your return would be less than the yield which the deposit would have earned had it been held to maturity; if the deposit is called by Citibank, you may not be able to reinvest your funds at the same rate as your original deposit; or the deposit may not be called and you may be required to hold the deposit until maturity, causing your return to be less than if Citibank had called the deposit and you were able to reinvest your funds in an investment with a higher yield than the yield on the deposit.

### **The Deposits May Be Subject to a Mandatory Call that Limits the Potential Return**

Callable Deposits present different investment considerations from non-callable Deposits and may not be suitable for every investor. You should carefully consider the information provided in the applicable Disclosure Supplement, including the terms of the mandatory call, if applicable. The opportunity to benefit from changes in the level of the Underlying Benchmark through an investment in the Deposits may be limited by the mandatory call feature. If the Deposits are called prior to maturity as a result of the mandatory call, you will receive only the applicable call price, plus accrued and unpaid interest, if any, and you will not receive any deposit return amount. The call price may be less than or greater than the amount you would have received at maturity based on the Underlying Benchmark. Therefore, your return on the Deposits may be less than your return on an investment directly linked to the Underlying Benchmark and you may not be able to fully benefit from the change in the level of the Underlying Benchmark.

### **Extendable Maturity Deposits Involve Additional Risks and May Not Be Suitable For Every Investor**

Deposits that have a maturity date that may be extended at the option of Citibank present different investment considerations from Deposits with a non-extendable maturity date and may not be suitable for every investor. You should carefully consider the information provided in the applicable Disclosure Supplement, including the time periods for which Citibank may extend the maturity of the deposit.

The decision whether to extend a deposit's maturity date beyond its stated maturity in accordance with its terms is in Citibank's sole discretion. Citibank is not obligated to honor the stated maturity of these Deposits, and will extend their term, if at all, when it is most advantageous to Citibank to do so, without reference to your investment needs. Depending on the terms of the Deposits, you may face the risk that the deposit may not mature on its stated maturity date but such maturity will be extended. In this case, you may be required to hold the deposit beyond the stated maturity date, causing your return to be less than if Citibank had allowed the deposit to mature on its stated maturity date and you were able to reinvest your funds in an investment with a higher yield than the yield on the deposit.

### **You May Not Be Able to Sell Your Deposits if an Active Trading Market for the Deposits Does Not Develop**

The Deposits will not be listed on any exchange. There is currently no secondary market for the Deposits. Even if a secondary market does develop, it may not be liquid and may not continue for the term of the Deposits.

Citigroup Global Markets may, but is not obligated to, make a market in the Deposits. Because we do not expect that other market makers will participate significantly in any secondary market for the Deposits, the price at which you may be able to sell your deposit is likely to depend on the price, if any, at which Citigroup Global Markets is willing to transact. If at any time Citigroup Global Markets does not act as market maker, it is likely there would be little or no secondary market for the Deposits.

## **The Value of the Deposits if Sold or Redeemed Prior to Maturity Will Depend on a Number of Factors and May be Substantially Less Than the Amount You Originally Invest**

We believe that the value of your Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits will be affected by the supply of and demand for the Deposits, the level of the Underlying Benchmark, interest rates and a number of other factors. Some of these factors are interrelated in complex ways. As a result, the effect of any one factor may be offset or magnified by the effect of another factor. The following paragraphs describe what we expect to be the impact of a change in a specific factor, assuming all other conditions remain constant, on the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits.

*Level of the Underlying Benchmark.* We expect that the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits will depend substantially on the amount, if any, by which the level of the Underlying Benchmark changes from its value on the date on which the particular offering of Deposits are priced for initial sale to the public (the “Pricing Date”). However, changes in the level of the Underlying Benchmark may not always be reflected, in full or in part, in the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits.

Prices, values or exchange rates of the Underlying Benchmark will be influenced by the complex and interrelated political, economic, financial and other factors that can affect the capital markets generally and by various circumstances that can influence the values of the Underlying Benchmark in a specific market segment. The hedging activities of Citibank’s affiliates and other trading activities by Citibank’s affiliates and other market participants can also affect the prices, values or exchange rates of the Underlying Benchmark.

*Volatility of the Underlying Benchmark.* Volatility is the term used to describe the size and frequency of market fluctuations. If the expected volatility of the Underlying Benchmark changes during the term of the Deposits, the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits may decrease.

*Interest Rates.* We expect that the market value of the Deposits will be affected by changes in U.S. interest rates. In general, if U.S. interest rates increase, the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits may decrease, and if U.S. interest rates decrease, the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits may increase.

*Hedging Activities.* Hedging activities related to the Deposits by one or more of our affiliates will likely involve trading in the Underlying Benchmark (if the Underlying Benchmark is shares of a company, ETF shares, ADRs, commodities or currencies), or in the stocks, currencies or commodities comprised in the Underlying Benchmark (if the Underlying Benchmark is an ETF, an index or a basket), or in other instruments, such as options, swaps or futures, based upon the Underlying Benchmark or upon the stocks, commodities or currencies comprised in the Underlying Benchmark. This hedging activity could affect the level of the Underlying Benchmark and therefore the market value of the Deposits in any secondary market. It is possible that our affiliates may profit from this hedging activity, even if the market value of the Deposits declines. Profit or loss from this hedging activity could affect the price at which our affiliate Citigroup Global Markets may be willing to purchase your Deposits in any secondary market or the market value component of the amount received upon early redemption of the Deposits.

*Citibank’s Financial Condition.* Actual or anticipated changes in our financial condition may affect the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits.

We want you to understand that the impact of one of the factors specified above, such as an increase in the U.S. interest rates, may offset some or all of any change in the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits attributable to another factor, such as a favorable change in the level of the Underlying Benchmark.

### **The Historical Performance of the Underlying Benchmark is Not an Indication of the Future Performance of the Underlying Benchmark**

The historical performance of the Underlying Benchmark, which is included in the applicable Disclosure Supplement, should not be taken as an indication of the future performance of the Underlying Benchmark during the term of the Deposits. Changes in the level of the Underlying Benchmark will affect the value of the Deposits in any secondary market and the market value component of the amount received upon early redemption, but it is impossible to predict whether the level of the Underlying Benchmark will fall or rise.

### **You Will Have No Rights Against the Underlying Issuer, the Index Publisher, the Commodity Publisher, or the Currency Publisher**

You will have no rights as a holder of the Deposits against the Underlying Issuer, the Index Publisher, the Commodity Publisher or the Currency Publisher, even though the market value of the Deposits is expected to depend on the level of the Underlying Benchmark and the deposit return amount payable at maturity, if any, is linked to the Underlying Benchmark.

None of the Underlying Issuer, the Index Publisher, the Commodity Publisher or the Currency Publisher will be involved in any way in the offering of the Deposits and will have no obligations relating to the Deposits or to holders of the Deposits. By investing in the Deposits you will not acquire any of the Underlying Benchmarks (if the Underlying Benchmark is shares of a company, ETF shares, ADRs, commodities or currencies), or any stocks, currencies or commodities comprised in the Underlying Benchmark (if the Underlying Benchmark is an ETF, an index or a basket). In addition, you will have no voting rights and will receive no dividends or other distributions made on the Underlying Benchmark (if the Underlying Benchmark is shares of a company, ETF shares or ADRs), or on the stocks comprised in the Underlying Benchmark (if the Underlying Benchmark is an ETF, an equity index or a basket).

### **The Value of the Deposits May Be Affected by Certain Purchases and Sales by Affiliates of Citibank**

Citibank's affiliates, including Citigroup Global Markets, may from time to time buy or sell the Underlying Benchmark (if the Underlying Benchmark is shares of a company, ETF shares, ADRs, commodities or currencies), or stocks, currencies or commodities comprised in the Underlying Benchmark (if the Underlying Benchmark is an ETF, an index or a basket), or derivative instruments relating to the Underlying Benchmark or the stocks, commodities or currencies included in the Underlying Benchmark for their own accounts in connection with their normal business practices. These transactions could affect the level of the Underlying Benchmark and therefore the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits.

### **Citibank is the Calculation Agent, Which Could Result in a Conflict of Interest**

Citibank is acting as the calculation agent for the Deposits. As a result, potential conflicts of interest may exist between the calculation agent and you, since its duties as calculation agent, including with respect to certain determinations and judgments that the calculation agent must make in determining amounts due to you may conflict with its interest as the offeror of the Deposits. While the calculation agent will act in good faith and in a commercially reasonable manner, there can be no assurance that the determinations made by the calculation

agent during the term of the Deposits will not affect the market value the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits.

### **Hedging Activity Could Result in a Conflict of Interest**

In anticipation of the sale of the Deposits, we expect one or more of our affiliates to enter into hedge transactions. This hedging activity will likely involve trading in the Underlying Benchmark (if the Underlying Benchmark is shares of a company, ETF shares, ADRs, commodities or currencies), or in the stocks, currencies or commodities comprised in the Underlying Benchmark (if the Underlying Benchmark is an ETF, an index or a basket), or in other instruments, such as options, swaps or futures based upon the Underlying Benchmark or the stocks, currencies or commodities comprised in the Underlying Benchmark. This hedging activity may present a conflict between your interest in the Deposits and the interests our affiliates have in executing, maintaining and adjusting their hedge transactions because it could affect the level of the Underlying Benchmark and therefore the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits. It could also be adverse to your interest if it affects the price at which our affiliate Citigroup Global Markets may be willing to purchase your Deposits in any secondary market or the market value component of the amount received upon early redemption of the Deposits. Since hedging the obligations under the Deposits involves risk and may be influenced by a number of factors, it is possible that our affiliates may profit from the hedging activity, even if the market value of the Deposits declines.

### **Additional Risk Factors if the Underlying Benchmark is Shares of a Company, ETF Shares, ADRs, an Equity Index or a Basket**

#### *Events Involving the Underlying Benchmark Can Affect the Market Value of the Deposits*

General economic conditions and earnings results of the Underlying Issuer (if the Underlying Benchmark is shares of a company, ETF shares or ADRs) or of the companies whose stocks are comprised in the Underlying Benchmark (if the Underlying Benchmark is an ETF, an equity index or a basket), and real or anticipated changes in those conditions or results, may affect the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits. In addition, if the dividend yields on the Underlying Benchmark or on the stocks included in the Underlying Benchmark those stocks increase, we expect that the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits may decrease because the deposit return amount does not incorporate the value of dividend payments. Conversely, if dividend yields on the on the Underlying Benchmark or on the stocks included in the Underlying Benchmark decrease, we expect that the market value of the Deposits in any secondary market and the market value component of the amount received upon early redemption of the Deposits may increase.

#### *You Will Not Receive Any Distributions Made on The Underlying Benchmark*

You will not be entitled as a holder of the Deposits to receive dividend payments or other distributions, if any, made on the Underlying Benchmark (if the Underlying Benchmark is shares of a company, ETF shares or ADRs), or on the stocks comprised in the Underlying Benchmark (if the Underlying Benchmark is an ETF, an equity index or a basket).

#### *Foreign Equity Securities Involve Additional Risks which Can Affect the Value of the Deposits*

If the Underlying Benchmark (if the Underlying Benchmark is shares of a company, ETF shares or ADRs) or the stocks comprised in the Underlying Benchmark (if the Underlying Benchmark is an ETF, an equity index or a basket) are listed on one or more foreign stock exchanges, you should be aware that investments that are linked to the value of foreign equity securities involve certain risks, any of which can affect the value of these securities and therefore the value the Deposits.

The foreign securities markets may be more volatile than U.S. securities markets and may be affected by market developments in different ways than U.S. securities markets; cross-shareholdings in foreign companies on such markets may affect prices and volume of trading on those markets; there is generally less publicly available information about foreign companies than about those U.S. companies that are subject to the reporting requirements of the Securities and Exchange Commission, and foreign companies are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies. In addition, the exchanges on which the underlying stocks are traded may have adopted certain measures intended to limit short-term price fluctuations. These may include daily price floors and ceilings intended to prevent extreme fluctuations in individual stock prices. You should also be aware that certain of the exchanges on which the underlying stocks are traded might suspend the trading of individual stocks in certain limited and extraordinary circumstances. As a result, variations in the Underlying Benchmark may be limited by price limitations on, or suspensions of trading of, the stocks of the Underlying Issuer (if the Underlying Benchmark is shares of a company, ETF shares or ADRs) or the companies whose stocks are comprised in the Underlying Benchmark (if the Underlying Benchmark is an ETF, an equity index or a basket), which may, in turn, adversely affect the value of the Deposits or result in the occurrence of a Market Disruption Event.

Prices of the underlying stocks are subject to political, economic, financial, exchange rate and social factors that apply in each issuer's country as well as in other constituent countries in which such issuer does business (or in which its principal trading partners do business). These factors (including the possibility that recent or future changes in a country's government, economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other laws or restrictions applicable to such foreign companies or investments in foreign equity securities and the possibility of fluctuations in the rate of exchange between currencies) could negatively affect foreign securities markets. Stock and currency market volatility and market developments in one or more countries may cause volatility or a decline in another country. Moreover, the relevant economies may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency.

*The Amount You Receive at Maturity May Be Reduced Under Some Circumstances if the Underlying Benchmark is Diluted Because this Amount Will Not Be Adjusted for All Events that Dilute the Underlying Benchmark*

If the Underlying Benchmark is shares of a company, ETF shares or ADRs, the level of the Underlying Benchmark may be subject to adjustment for a number of events arising from stock splits and combinations, stock dividends, a number of other actions of the Underlying Issuer that modify its capital structure and a number of other transactions involving the Underlying Issuer, as well as for the liquidation, dissolution or winding up of the Underlying Issuer. You should refer to the dilution adjustments provisions in the Disclosure Supplement applicable to a particular offering of Deposits. The level of the Underlying Benchmark will not be adjusted for other events that may adversely affect the level of the Underlying Benchmark, such as offerings of common stock for cash or in connection with acquisitions. Because of the relationship of the deposit return amount that you receive at maturity, if any, to the level of the Underlying Benchmark, these other events may reduce the deposit return amount.

*We Obtained Information about the Underlying Benchmark from Publicly Available Sources*

We have derived all information about the Underlying Benchmark, the Underlying Issuer (if the Underlying Benchmark is shares of a company, ETF shares or ADRs) or the companies whose stocks are comprised in the Underlying Benchmark (if the Underlying Benchmark is an ETF, an equity index or a basket), from publicly available documents. We have not participated and will not participate in the preparation of any of those documents. Nor have we made or will we make any "due diligence" investigation or any inquiry with respect to the Underlying Benchmark, the Underlying Issuer or the companies whose stocks are comprised in the Underlying Benchmark in connection with the offering of the Deposits. We do not make any representation that any publicly available document or any other publicly available information about the Underlying Benchmark, the Underlying Issuer or the companies whose stocks are comprised in the Underlying Benchmark is accurate or complete.

## **Additional Risk Factors if the Underlying Benchmark is ADRs or an Index or Basket that includes ADRs**

### *The Value of Underlying ADRs May Not Completely Track the Value of the Underlying Issuer's Ordinary Shares*

If the Underlying Benchmark is an ADR or a basket that includes ADRs, you should be aware that, although the trading characteristics and valuations of the underlying ADRs will usually mirror the characteristics and valuations of the ordinary shares represented by those ADRs, the value of the ADRs upon which a particular offering of Deposits is based may not completely track the value of the equity issuer's ordinary shares represented by those ADRs. Active trading volume and efficient pricing for the ordinary shares of the Underlying Issuer on the stock exchange(s) on which those ordinary shares principally trade will usually, but not necessarily, indicate similar characteristics in respect of the underlying ADRs. Because of the size of the offering of the Underlying Issuer's ordinary shares in ADR form outside the countries in which those ordinary shares principally trade and/or other factors that have limited or increased the float of certain ADRs, the liquidity of the underlying ADRs may be less than or greater than that of the ordinary shares represented by those ADRs. In addition, the terms and conditions of depositary facilities may result in less liquidity or lower market value of the underlying ADRs than for the ordinary shares. Since holders of ADRs may surrender the ADRs in order to take delivery of and trade the ordinary shares represented by those ADRs, a characteristic that allows investors in ADRs to take advantage of price differentials between different markets, a market for the underlying ordinary shares that is not liquid will generally result in an illiquid market for the ADRs representing such ordinary shares.

The price of ADRs upon which a particular offering of Deposits is based will be quoted in U.S. dollars. Thus, the trading price of the Underlying Benchmark at any time after the Pricing Date up to and including the final Valuation Date will be expressed in U.S. dollars, and the maturity payment on the Deposits will be made in U.S. dollars. However, you should be aware that a depreciation of the value of the currencies in which the ordinary shares of the Underlying Issuer are traded versus the U.S. dollar may reduce the trading price of the ADRs upon which a particular offering of Deposits is based (and thus the trading price of and the maturity payment on the Deposits).

### *The Trading Price of Underlying ADRs Will be Affected by Conditions in the Markets Where those ADRs Principally Trade*

Although the market price of ADRs upon which a particular offering of Deposits is based is not directly tied to the trading price of the Underlying Issuer's ordinary shares in the non-U.S. markets where those ordinary shares principally trade, the trading price of ADRs is generally expected to track the U.S. dollar value of the currency of the country where the Underlying Issuer's ordinary shares principally trade and the trading price of the Underlying Issuer's ordinary shares on the stock exchange(s) where those ordinary shares principally trade. This means that the trading value of any ADRs upon which a particular offering of Deposits is based is expected to be affected by the exchange rates between the U.S. dollar and the currency of the country where the Underlying Issuer's ordinary shares principally trade and by factors affecting the stock exchange(s) where those ordinary shares principally trade.

### *ADRs Linked to Non-U.S. Companies Will Be Affected by Conditions in the Markets Where Shares of those Non-U.S. Companies Principally Trade*

Investments in securities linked to the value of equity securities of non-U.S. companies involve certain risks. Where the Underlying Issuer's ordinary shares principally trade on a non-U.S. market, that market may be more volatile than U.S. markets. Also, there is generally less publicly available information about non-U.S. companies than U.S. companies, and non-U.S. companies are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. companies.

In addition, securities prices of companies located in emerging markets, or whose principal operations are located in emerging markets, are subject to political, economic, financial and social factors that apply in

emerging markets. These factors, which could negatively affect the value of such securities, include the possibility of recent or future changes in local or national economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other laws or restrictions applicable to such companies or to investments in equity securities of companies located, or whose principal operations are located, in emerging markets. Specifically, political and/or legal developments in emerging markets could include forced divestiture of assets; restrictions on production, imports and exports; war or other international conflicts; civil unrest and local security concerns that threaten the safe operation of company facilities; price controls; tax increases and other retroactive tax claims; expropriation of property; cancellation of contract rights; and environmental regulations. Moreover, the economy of emerging nations may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross national product, rate of inflation, capital investment, resources and self-sufficiency.

### **Additional Risk Factors if the Underlying Benchmark is ETF Shares or an Index or Basket that includes ETF Shares**

#### *The Value of Underlying ETF Shares May Not Completely Track the Value of the Shares in Which the ETF Invests*

If the Underlying Benchmark is ETF shares or a basket that includes ETF shares, you should be aware that, although the trading characteristics and valuations of the ETF shares will usually mirror the characteristics and valuations of the shares in which that ETF invests, the value of the ETF shares may not completely track the value of the shares in which that ETF invests. The ETF shares will reflect transaction costs and fees that the shares in which the ETF invests do not have.

#### *Deposits the Underlying Benchmark of Which Is ETF Shares May Be Subject to Currency Exchange Rate Risk*

If the Underlying Benchmark is shares of an ETF that invests in non-U.S. markets or a basket that includes shares of an ETF that invests in non-U.S. markets, the trading price of the stocks in which the ETF invests generally will reflect the U.S. dollar value of those stocks. Therefore, holders of Deposits the Underlying Benchmark of which is the shares of an ETF that invests in non-U.S. markets or a basket that includes shares of an ETF that invests in non-U.S. markets will be exposed to currency exchange rate risk with respect to the currency in which such stocks trade. An investor's net exposure will depend on the extent to which the non-U.S. currency strengthens or weakens against the U.S. dollar and the relative weight of each stock in the ETF's portfolio. If, taking into account such weighting, the dollar strengthens against the non-U.S. currency, the value of the stocks in which an ETF invests will be adversely affected and the value of the Deposits or the amount you receive at maturity may decrease.

#### *ETF Shares Linked to Non-U.S. Companies and Deposits Based Upon such ETF Shares Will Be Affected by Conditions in the Markets Where Shares of those Non-U.S. Companies Principally Trade*

Investments in securities linked to the value of equity securities of non-U.S. companies involve certain risks. Where the shares of a company in which the Underlying Issuer invests principally trade on a non-U.S. market, that market may be more volatile than U.S. markets. Also, there is generally less publicly available information about non-U.S. companies than U.S. companies, and non-U.S. companies are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. companies.

In addition, securities prices of companies located in emerging markets, or whose principal operations are located in emerging markets, are subject to political, economic, financial and social factors that apply in emerging markets. These factors, which could negatively affect the value of such securities, include the possibility of recent or future changes in local or national economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other laws or restrictions applicable to such companies or to investments in equity securities of companies located, or whose principal operations are located, in emerging

markets. Specifically, political and/or legal developments in emerging markets could include forced divestiture of assets; restrictions on production, imports and exports; war or other international conflicts; civil unrest and local security concerns that threaten the safe operation of company facilities; price controls; tax increases and other retroactive tax claims; expropriation of property; cancellation of contract rights; and environmental regulations. Moreover, the economy of emerging nations may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross national product, rate of inflation, capital investment, resources and self-sufficiency.

#### **Additional Risk Factors if the Underlying Benchmark is a Currency or an Index or Basket that includes Currencies**

##### *The Value of Any Currency May Be Highly Volatile and May be Affected by Complex Political and Economic Factors*

The value of any currency may be highly volatile and may be affected by complex political and economic factors. The value any currency relative to another currency, as measured by the relevant exchange rate, is at any moment a result of the supply and demand for the relevant currencies, and changes in the exchange rates result over time from the interaction of many factors directly or indirectly affecting economic and political conditions in the relevant countries, as well as economic and political developments in other countries. Of particular importance are the relative rates of inflation, interest rate levels, the balance of payments and the extent of governmental surpluses or deficits, all of which are in turn sensitive to the monetary, fiscal and trade policies pursued by countries which are important to international trade and finance.

##### *Foreign Exchange Rates Could be Affected by the Actions of the Relevant Sovereign Governments*

Foreign exchange rates can either be fixed by sovereign governments or floating. Exchange rates of many nations are permitted to fluctuate in value relative to other currencies. However, governments sometimes do not allow their currencies to float freely in response to economic forces. Governments use a variety of techniques, such as intervention by their central bank or imposition of regulatory controls or taxes, to affect the exchange rates of their respective currencies. They may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. Thus, if the Underlying Benchmark is a currency or an index or basket that includes currencies, a special risk in purchasing the Deposits is that their liquidity, trading price on the secondary market, if any, and amounts payable could be affected by the actions of sovereign governments that could change or interfere with theretofore freely determined currency valuations, fluctuations in response to other market forces and the movement of currencies across borders. There will be no adjustment or change in the terms of the Deposits in the event that exchange rates should become fixed, or in the event of any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes, or in the event of the issuance of a replacement currency or in the event of other developments affecting the basket currencies.

#### **Additional Risk Factors if the Underlying Benchmark is a Commodity or an Index or Basket that includes Commodities**

##### *Prices of Commodities May Be Highly Volatile*

Prices of commodities may be highly volatile and may be affected by numerous factors. These include economic factors, including, among other things, the structure of and confidence in the global monetary system, expectations of the future rate of inflation, the relative strength of, and confidence in, the U.S. dollar (the currency in which the main commodities are generally quoted), interest rates and commodity borrowing and lending rates, and global or regional economic, financial, political, regulatory, judicial or other events. Commodities prices may also be affected by industry factors such as industrial and jewelry demand, lending,

sales and purchases of commodities by the official sector, including central banks and other governmental agencies and multilateral institutions which hold commodities, levels of commodities production and production costs, and short-term changes in supply and demand because of trading activities in the relevant commodity market.

*Higher Future Prices of the Futures Contracts Included in the Underlying Benchmark Relative to Their Current Prices May Decrease Your Return on the Deposits*

Unlike equities, which typically entitle the holder to a continuing stake in a corporation, commodity futures contracts normally specify a certain date for delivery of the underlying physical commodity. As the futures contracts included in the Underlying Benchmark approach expiration, they are replaced by futures contracts that have a later expiration. Thus, for example, a futures contract purchased and held in December may specify a February expiration. As time passes, the contract expiring in February is replaced by a contract for delivery in March. This process is referred to as “rolling.” If the market for these contracts is (putting aside other considerations) in “backwardation,” where the prices are lower in the distant delivery months than in the nearer delivery months, the sale of the February contract would take place at a price that is higher than the price of the March contract, thereby creating a positive “roll yield,” without necessarily being indicative of the performance of the contracts. The absence of backwardation in the commodity markets could result in negative “roll yields,” which could adversely affect the value of the underlying index and, accordingly, decrease your return on the Deposits.

*The Deposits Will Not Be Regulated by the Commodity Futures Trading Commission*

Unlike an investment in the Deposits, an investment in a collective investment vehicle that invests in futures contracts on behalf of its participants may be regulated as a commodity pool and its operator may be required to be registered with and regulated by the CFTC as a commodity pool operator. Because the Deposits are not interests in a commodity pool, they will not be regulated by the CFTC as a commodity pool, we will not be registered with the CFTC as a commodity pool operator, and you will not benefit from the CFTC’s or any non-U.S. regulatory authority’s regulatory protections afforded to persons who trade in futures contracts or who invest in regulated commodity pools.

**Additional Risk Factors if the Underlying Benchmark is a Basket**

*Baskets Comprising the Underlying Benchmark*

If the Underlying Benchmark is a basket, any of the risk factors which are applicable if the Underlying Benchmark is shares of a company, ADRs, ETF shares, commodities, currencies, or indices are also applicable with respect to any of the shares of a company, ADRs, ETF shares, commodities, currencies or indices that are included in a basket.

*The Use of a Basket Instead of a Single Underlying Benchmark May Lower the Return on the Deposits*

Because the value of a basket will be based on the weighted value of each of the basket components, a significant increase in the value of one basket component but not the other may be substantially or entirely offset by a decrease in the value of the other basket component during the term of the Deposits.

*Risks Associated to a Non-Diversified Investment*

Because the Deposits may be linked to changes in the values of a limited number of instruments, the underlying basket may be less diversified than funds or portfolios investing in broader markets and, therefore, could experience greater volatility. A purchase of such Deposits may carry risks similar to a concentrated investment in a limited number of industries or sectors.

## PROVISIONS RELATING TO THE UNDERLYING BENCHMARK

The Closing Value, Closing Price or Exchange Rate of the Underlying Benchmark, as applicable, on any date of determination, including the final Valuation Date or periodic Valuation Dates, will be as follows:

- (1) if the Underlying Benchmark is shares of a company, ETF shares, ADRs, or a basket that includes shares of a company, ETF shares or ADRs (or any other security for which a Closing Price must be determined upon a dilution adjustment), the Closing Price of the of the shares will be (a) if the security is listed on a national securities exchange on that date of determination, the closing sale price or, if no closing sale price is reported, the last reported sale price on that date on the principal national securities exchange on which the security is listed or admitted to trading, or (b) if the security is not listed on a national securities exchange on that date of determination, or if the closing sale price or last reported sale price on such exchange is not obtainable (even if the security is listed or admitted to trading on such exchange), any last reported bid price for the security of the principal trading session on the over-the-counter market on that date as reported on the OTC Bulletin Board, the National Quotation Bureau or a similar organization. If no closing sale price or last reported sale price is available on a date of determination pursuant to clauses (a) or (b) above or if there is a Market Disruption Event, the Closing Price of the shares for that date, unless deferred by the Calculation Agent as described below, will be the arithmetic mean, as determined by the Calculation Agent, of the bid prices of the security obtained from as many dealers in such security (which may include Citigroup Global Markets or any of our other affiliates or subsidiaries), but not exceeding three such dealers, as will make such bid prices available to the Calculation Agent. The term “OTC Bulletin Board” will include any successor to such service. The determination of the Closing Price of the shares by the Calculation Agent upon the occurrence of a Market Disruption Event may be deferred by the Calculation Agent for up to five consecutive Trading Days on which a Market Disruption Event is occurring, but not past the Trading Day immediately prior to the Maturity Date; or
- (2) if the Underlying Benchmark is an index or a basket that includes an index, the Closing Value of the index will be the Closing Value of the index as published by the Index Publisher (subject to the terms described under “— Discontinuance of an Underlying Index” and “— Alteration of Method of Calculation of an Underlying Index” below). If the Closing Value of the index is not available on a date of determination or if there is a Market Disruption Event, the Closing Value of the index for that date, unless deferred by the Calculation Agent as described below, will be the arithmetic mean, as determined by the Calculation Agent, of the value of the index obtained from as many dealers in equity securities, commodities, contracts or currencies, as applicable (which may include Citigroup Global Markets or any of our other affiliates), but not exceeding three such dealers, as will make such value available to the Calculation Agent. The determination of the Closing Value of the index by the Calculation Agent upon the occurrence of a Market Disruption Event may be deferred by the Calculation Agent for up to five consecutive Underlying Index Business Days on which a Market Disruption Event is occurring, but not past the Underlying Index Business Day immediately prior to the Maturity Date; or
- (3) if the Underlying Benchmark is a commodity or a basket that includes a commodity, the Closing Price of the commodity will be the Closing Price on that date as published by the Index Publisher. If the Closing Price of any relevant commodity is not available on a date of determination or if there is a Market Disruption Event, the Closing Price of such commodity for that date, unless deferred by the Calculation Agent as described below, will be the arithmetic mean, as determined by the Calculation Agent, of the price of the relevant commodity obtained from as many dealers in commodities, as applicable (which may include Citigroup Global Markets or any of our other affiliates), but not exceeding three such dealers, as will make such value available to the Calculation Agent. The determination of the Closing Price of the commodity by the Calculation Agent upon the occurrence of a Market Disruption Event may be deferred by the Calculation Agent for up to five consecutive Underlying Commodity Business Days on which a Market Disruption Event is occurring, but not past the Underlying Commodity Business Day immediately prior to the Maturity Date; or

- (4) if the Underlying Benchmark is a currency or a basket that includes a currency, the currency Exchange Rate will be the Exchange Rate on that date as published by the Currency Publisher. If the Exchange Rate of any relevant currency is not available on a date of determination, the Exchange Rate of such currency for that date will be calculated on the basis of the arithmetic mean of the applicable spot quotations received by the Calculation Agent at the relevant time for the purchase or sale for Deposits in the relevant currency by the London offices of three leading banks engaged in the interbank market (selected by the Calculation Agent after consultation with Citigroup Funding) (the “reference banks”). If fewer than three reference banks provide those spot quotations, then the relevant currency Exchange Rate will be calculated on the basis of the arithmetic mean of the applicable spot quotations received by the Calculation Agent from two leading commercial banks in New York (selected by the Calculation Agent after consultation with Citigroup Funding), for the purchase or sale for Deposits in the relevant currency. If these spot quotations are available from only one bank, then the Calculation Agent, in its sole discretion, will determine if such quotation is reasonable. If no spot quotation is available, then the relevant currency Exchange Rate will be the rate the Calculation Agent, in its sole discretion, determines to be fair and reasonable under the circumstances; or
- (5) if the Underlying Benchmark is a basket, the Closing Value of the basket will equal the sum of the weighted Closing Value, Closing Price, or Exchange Rate, as applicable, of each of the ETF shares, indices, commodities and currencies that are comprised in the basket, as determined according to the above provisions, provided that the determination of the Closing Value of the basket by the Calculation Agent upon the occurrence of a Market Disruption Event relating to any of the basket components may be deferred by the Calculation Agent for up to five consecutive Underlying Basket Business Days on which a Market Disruption Event is occurring, but not past the Underlying Basket Business Day immediately prior to the Maturity Date.

An Underlying Benchmark Business Day can be a Trading Day, an Underlying Index Business Day, an Underlying Commodity Business Day, an Underlying Currency Business Day or an Underlying Basket Business Day, as applicable, and will be as follows:

- (1) if the Underlying Benchmark is shares of a company, ETF shares, ADRs, or a basket that includes shares of a company, ETF shares or ADRs, a Trading Day will be a day, as determined by the Calculation Agent, on which trading is generally conducted (or was scheduled to have been generally conducted, but for the occurrence of a Market Disruption Event) on the New York Stock Exchange, the American Stock Exchange, NASDAQ, the Chicago Mercantile Exchange and the Chicago Board Options Exchange, and in the over-the-counter market for equity securities in the United States, or in the case of a security traded on one or more non-U.S. securities exchanges or markets, on the principal non-U.S. securities exchange or market for such security; or
- (2) if the Underlying Benchmark is an index or a basket that includes an index, a day, as determined by the Calculation Agent, an Underlying Index Business Day will be a day on which the underlying index or any successor index is calculated and published and on which stocks, commodities, currencies or derivative contracts relating to such stocks, commodities or currencies, as applicable, comprising more than 80% of the value of the underlying index on such day are capable of being traded on their relevant exchanges or markets during the one-half hour before the determination of the Closing Value of the underlying index. All determinations made by the Calculation Agent will be at the sole discretion of the Calculation Agent and will be conclusive for all purposes and binding on us, Citigroup Inc. and the beneficial owners of the Deposits, absent manifest error; or
- (3) if the Underlying Benchmark is a commodity, a currency, or a basket that includes a commodity or a currency, the definition of Underlying Commodity Business Day or Underlying Currency Business Day in relation to any relevant commodity or currency will be set forth in the applicable supplements; or

- (4) if the Underlying Benchmark is a basket, an Underlying Basket Business Day will be a day that is an Underlying Benchmark Business Day with respect to each of the shares of a company, ETF shares, ADRs, indices, commodities or currencies that are included in the basket, as determined according to the provisions above.

If the scheduled final or periodic Valuation Date is not an Underlying Benchmark Business Day, the Valuation Date may be deferred by the Calculation Agent but not past the Underlying Benchmark Business Day immediately prior to the date scheduled for payment of principal or interest, including the Maturity Date.

A “Business Day” means any day that is not a Saturday, a Sunday or a day on which the securities exchanges or banking institutions or trust companies in New York City are authorized or obligated by law or executive order to close.

A “Market Disruption Event” means:

- (1) if the Underlying Benchmark is shares of a company, ADRs, commodities, currencies, or a basket that includes shares of a company, ADRs, commodities or currencies, as determined by the Calculation Agent in its sole discretion, the occurrence or existence of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by any exchange or market or otherwise) of, or the unavailability, through a recognized system of public dissemination of transaction information, for a period longer than two hours, or during the one-half hour period preceding the close of trading, on the applicable exchange or market, of accurate price, volume or related information in respect of (a) the Underlying Benchmark or (b) any options contracts or futures contracts relating to the Underlying Benchmark or any options on such futures contracts on any exchange or market, if, in each case, in the determination of the Calculation Agent, any such suspension, limitation or unavailability is material; or
- (2) if the Underlying Benchmark is ETF shares or a basket that includes ETF shares, as determined by the Calculation Agent in its sole discretion, the occurrence or existence of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by any relevant exchange or market or otherwise) of, or the unavailability, through a recognized system of public dissemination of transaction information, for a period longer than two hours, or during the one-half hour period preceding the close of trading, on the applicable exchange or market, of accurate price, volume or related information in respect of if the Underlying Benchmark is ETF shares, stocks which then comprise 20% or more of the value of the assets underlying the ETF; if, in each case, in the determination of the Calculation Agent, any such suspension, limitation or unavailability is material. For purposes of determining whether a Market Disruption Event exists at any time, if trading in a security included in the assets underlying the ETF is materially suspended or materially limited at that time, then the relevant percentage contribution of that security to the value of the assets underlying the ETF will be based on a comparison of the portion of the value of assets underlying the ETF attributable to that security relative to the overall value of the assets underlying the ETF, in each case immediately before that suspension or limitation; or
- (3) if the Underlying Benchmark is an index or a basket that includes an index, as determined by the Calculation Agent in its sole discretion, the occurrence or existence of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by any relevant exchange or market or otherwise) of, or the unavailability, through a recognized system of public dissemination of transaction information, for a period longer than two hours, or during the one-half hour period preceding the close of trading, on the applicable exchange or market, of accurate price, volume or related information in respect of (a) stocks, commodities, currencies or derivative contracts relating to such stocks, commodities or currencies, as applicable, which then comprise 20% or more of the value of the underlying index or any successor index, (b) any options contracts or futures contracts, or any options on such futures contracts relating to the underlying index or any successor index, or

- (c) any options contracts or futures contracts relating to stocks, commodities, currencies, or derivative contracts relating to such stocks, commodities or currencies, as applicable, which then comprise 20% or more of the value of the underlying index or any successor index on any exchange or market if, in each case, in the determination of the Calculation Agent, any such suspension, limitation or unavailability is material. For purposes of determining whether a Market Disruption Event exists at any time, if trading in a stock, commodity, currency, or derivative contract relating to such stock, commodity or currency, as applicable, included in the underlying index is materially suspended or materially limited at that time, then the relevant percentage contribution to the value of the underlying index will be based on a comparison of the portion of the value of the underlying index attributable to that stock, commodity, currency, or derivative contract relating to such stock, commodity or currency, as applicable, relative to the overall value of the underlying index, in each case immediately before that suspension or limitation; or
- (4) if the Underlying Benchmark is a basket, as determined by the Calculation Agent in its sole discretion, the occurrence or existence of a Market Disruption Event related to any shares of a company, ETF shares, ADRs, indices, commodities or currencies comprising the Basket, as determined according to the provisions above.

#### **Delisting or Suspension of Trading in the ETF Shares; Termination of the Index to which the ETF is Linked**

If the Underlying Benchmark is ETF shares or a Basket that includes ETF shares and the ETF shares are delisted from, or trading of the shares is suspended on, the relevant stock exchange and a major U.S. exchange or market lists or approves for trading successor or substitute securities that the Calculation Agent determines, in its sole discretion to be comparable to the ETF shares (any such securities, “Successor Shares”), the value of such Successor Shares will be substituted for all purposes, including but not limited to determining the Closing Price of the ETF shares. Upon any selection by the Calculation Agent of Successor Shares, the Calculation Agent will cause notice thereof to be furnished to the registered holders of the Deposits.

If the ETF shares are delisted from, or trading of the ETF shares is suspended on, the relevant stock exchange and Successor Shares that the Calculation Agent determines to be comparable to the ETF shares are not listed or approved for trading on a major U.S. exchange or market, a successor or substitute security will be selected by the Calculation Agent, in its sole discretion, and the value of such successor or substitute security, as determined by the Calculation Agent in its sole discretion, will be substituted for all purposes. Upon any selection by the Calculation Agent of successor or substitute securities, the Calculation Agent will cause notice thereof to be furnished to the registered holders of the Deposits.

If the index to which the Underlying ETF is linked is liquidated or otherwise terminated (a “Termination Event”), the Closing Price of the ETF shares on each Trading Day from the date of the Termination Event up to and including the final Valuation Date will be determined by the Calculation Agent, in its sole discretion, and will be a fraction of the Closing Value of the index to which the ETF is linked (or any successor index, as defined below) on such Trading Day (taking into account any material changes in the method of calculating the index following such Termination Event) equal to that part of the Closing Value of the index represented by the Closing Price of the ETF shares on the Trading Day prior to the occurrence of such Termination Event on which a Closing Price of the ETF shares was available. The Calculation Agent will cause notice of the Termination Event and calculation of the Closing Price of the ETF shares as described above to be furnished to registered holders of the Deposits.

If a Termination Event has occurred, the provisions under “Discontinuance of an Underlying Index” and “Alteration of Method of Calculation of an Underlying Index” below are applicable to the index to which the ETF is linked, provided that the Calculation Agent will determine the Closing Price of the ETF shares as described above.

## **Discontinuance of an Underlying Index**

If the Underlying Benchmark is an index or ETF shares linked to an index or a basket that includes an index and the Index Publisher discontinues publication of such underlying index or if it or another entity publishes a successor or substitute index that the Calculation Agent determines, in its sole discretion, to be comparable to the underlying index, then the value of the underlying index will be determined by reference to the value of that successor or substitute index, which we refer to as a “successor index.”

Upon any selection by the Calculation Agent of a successor index, the Calculation Agent will cause notice to be furnished to the registered holders of the Deposits.

If the Index Publisher discontinues publication of the underlying index and a successor index is not selected by the Calculation Agent or is no longer published on the date of determination of the value of the underlying index, the value to be substituted for the underlying index for that date will be a value computed by the Calculation Agent for that date in accordance with the procedures last used to calculate the underlying index prior to such discontinuance.

If the Index Publisher discontinues publication of the underlying index prior to the determination of the amount payable at maturity and the Calculation Agent determines that no successor index is available at that time, then on each Trading Day until the earlier to occur of (a) the determination of the amount payable at maturity and (b) a determination by the Calculation Agent that a successor index is available, the Calculation Agent will determine the value that is to be used in determining the value of the underlying index as described in the preceding paragraph. Notwithstanding these alternative arrangements, discontinuance of the publication of the underlying index may adversely affect the secondary market, if any, in the Deposits.

If a successor index is selected or the Calculation Agent calculates a value as a substitute for the underlying index as described above, the successor index or value will be substituted for the underlying index for all purposes, including for purposes of determining whether a Trading Day or Market Disruption Event occurs. Notwithstanding these alternative arrangements, discontinuance of the publication of the underlying index may adversely affect the Deposits in the secondary market, if any, and the market value component of the amount received upon early redemption, if any.

All determinations made by the Calculation Agent will be at the sole discretion of the Calculation Agent and will be conclusive for all purposes and binding on us, your broker and the beneficial owners of the Deposits, absent manifest error.

## **Alteration of Method of Calculation of an Underlying Index**

If the Underlying Benchmark is an index or ETF shares linked to an index or a basket that includes an index and at any time the method of calculating the underlying index or any successor index is changed in any material respect, or if the underlying index or any successor index is in any other way modified so that the value of the underlying index or the successor index does not, in the opinion of the Calculation Agent, fairly represent the value of that index had the changes or modifications not been made, then, from and after that time, the Calculation Agent will, at the close of business in New York, New York, make those adjustments as, in the good faith judgment of the Calculation Agent, may be necessary in order to arrive at a calculation of a value of an index comparable to the underlying index or the successor index as if the changes or modifications had not been made, and calculate the value of the index with reference to the underlying index or any successor index. Accordingly, if the method of calculating the underlying index or any successor index is modified so that the value of the underlying index or the successor index is a fraction or a multiple of what it would have been if it had not been modified, then the Calculation Agent will adjust that index in order to arrive at a value of the index as if it had not been modified.

## EVIDENCE OF THE DEPOSITS

The Deposits will be evidenced by one or more master certificates issued by us, each representing a number of individual Deposits. These master certificates will be held by or on behalf of The Depository Trust Company (“DTC”). No evidence of ownership, such as a passbook or a certificate, will be provided to you. Your broker keeps records of the ownership of each Deposit and will provide you with a written confirmation (the “Confirmation”) of your purchase. The applicable Disclosure Supplement will set forth the specific information and terms for the relevant offering of Deposits, including the Maturity Date, how the Deposit Return Amount will be calculated, the amount and dates of payment of periodic interest, if any, and the manner in which such periodic interest will be calculated, early redemption feature or withdrawal feature, if any. The Confirmation will state the original principal amount of your Deposit, from which you can determine how much premium, if any, you paid for the Deposits. You should retain the Confirmation for your records. Because you will not be provided with a certificate evidencing your Deposit, the purchase of a Deposit is not recommended for persons who wish to take physical possession of a certificate.

Payments on the Deposits will be remitted by us to DTC when due. Upon receipt in full of such amounts by DTC, we will be discharged from any further obligation with regard to such payments. Such payments will be credited through DTC’s procedures to participant firms and thereafter will be remitted to your broker, so long as such broker acts as your nominee, authorized representative, agent or custodian, and credited to your account with such broker.

Each Deposit constitutes a direct obligation of us and is not, either directly or indirectly, an obligation of any broker. You will have the ability to enforce your rights in a Deposit directly against Citibank. No deposit relationship shall be deemed to exist prior to the receipt and acceptance of your funds by us.

If you choose to remove your broker as your agent with respect to your Deposit, you may (i) transfer your Deposit to another agent (provided that the agent is a member of DTC (most major brokerage firms are members; many FDIC-insured depositories are not)) or (ii) request that your ownership of the Deposit be evidenced directly on the books of Citibank, subject to applicable law and our terms and conditions, including those related to the manner of evidencing Deposit ownership. Neither transferring your Deposits to another agent nor evidencing it directly on Citibank’s books will have any affect on the extent to which your Deposits are FDIC insured.

## DEPOSIT INSURANCE

The Deposits are protected by federal deposit insurance provided by the Deposit Insurance Fund, which is administered by the FDIC and backed by the full faith and credit of the U.S. Government, generally up to the Standard Maximum Deposit Insurance Amount (“SMDIA”). The SMDIA shall be a maximum amount of \$250,000 through December 31, 2013 only, and \$100,000 after December 31, 2013, for all Deposits held in the same insurable capacity (e.g., individual, joint account, etc.). In addition, federal deposit insurance is available up to a maximum amount of \$250,000 for self-directed retirement accounts (as described below). Any accounts or Deposits a holder maintains directly with Citibank in the same insurable capacity as such holder maintains its Deposits would be aggregated with such Deposits for purposes of the applicable limit. These FDIC insurance limits are effective as of the date of this Disclosure Statement and could change. The Deposits will be insured up to applicable FDIC insurance limits effective from time to time.

FDIC insurance coverage includes both principal and interest accrued (subject to the applicable limit) as of the date when the FDIC is appointed conservator or receiver of Citibank. Consequently, if the FDIC was appointed conservator or receiver of Citibank prior to any interest determination or Valuation Date during the term of a structured or variable interest deposit, the FDIC might take the position that any return which had not been calculated as of the date the FDIC was appointed conservator or receiver of Citibank was not insured because such return is not accrued until the applicable interest determination date or fixed until the applicable Valuation Date.

***Each holder is responsible for monitoring the total amount of its Deposits in order to determine the extent of deposit insurance coverage available to it on such Deposits, including the Deposits. In circumstances in which FDIC insurance coverage is needed, (a) the FDIC will not be responsible for the uninsured portion of the Deposits or any other Deposits and (b) neither we nor any broker will be responsible for any insured or uninsured portion of the Deposits or any other Deposits. Persons considering the purchase, ownership or disposition of a Deposit should consult their legal advisors concerning the availability of FDIC insurance.***

If the Deposits or other Deposits of a holder at Citibank are assumed by another depository institution pursuant to a merger or consolidation, such Deposits will continue to be separately insured from the Deposits that such holder might have established with the acquirer for six months from the date of assumption or, in the case of the Deposits or other time Deposits, the earliest Maturity Date after the six-month period. Thereafter any assumed Deposits will be aggregated with the existing Deposits with the acquirer held in the same insurable capacity for purposes of federal deposit insurance. Any deposit opened at the acquired institution after the acquisition will be aggregated with Deposits established with the acquirer for purposes of federal deposit insurance.

The application of the federal deposit insurance limitation (which is generally \$250,000 until December 31, 2013 only and \$100,000 thereafter), in certain common factual situations is illustrated below:

### *Individual Customer Accounts*

Funds owned by an individual and held in an account in the name of an agent or nominee of such individual (such as the Deposits held in a brokerage account) are not treated as owned by the agent or nominee, but are added to other Deposits of such individual held in the same insurable capacity and are insured up to the SMDIA in the aggregate.

### *Custodial Accounts*

Funds in accounts held by a custodian, guardian or conservator for the benefit of a ward or a minor (for example, under the Uniform Gifts to Minors Act) are not treated as owned by the custodian, but are added to other Deposits of the minor or other beneficiary held in the same insurable capacity and are insured up to the SMDIA in the aggregate.

### *Joint Accounts*

The interests of co-owners in funds in an account held under any form of joint ownership valid under applicable state law may be insured up to the SMDIA in the aggregate, separately and in addition to the SMDIA allowed on other Deposits individually owned by any of the co-owners of such account (hereinafter referred to as a "Joint Account"). Joint Accounts will be insured separately from such individually owned accounts only if each of the co-owners is an individual person and has a right of withdrawal on the same basis as the other co-owners. If the Joint Account meets the foregoing criteria then it shall be deemed to be jointly owned, provided that the deposit account records of Citibank are clear and unambiguous as to the ownership of the account. However, if the deposit account records are ambiguous or unclear as to the manner in which the deposit account is owned, then the FDIC may consider evidence other than such deposit account records to determine ownership. The names of two or more persons on a Deposit or other deposit instrument will be conclusive evidence that the account is a Joint Account unless the deposit records as a whole are ambiguous and some other evidence indicates that there is a contrary ownership capacity.

In the event an individual has an interest in more than one Joint Account and different co-owners are involved, his interest in all of such Joint Accounts (subject to the limitation that such individual's insurable interest in any one account may not exceed the SMDIA divided by the number of owners of such account) is then added together and insured up to the SMDIA in the aggregate, with the result that no individual's insured interest in the joint account category can exceed the SMDIA. For deposit insurance purposes, the co-owners of any Joint Account are deemed to have equal interests in the Joint Account unless otherwise stated in Citibank's deposit account records.

### *Entity Accounts*

The deposit accounts of any corporation, partnership or unincorporated association that is operated primarily for some purpose other than to increase deposit insurance are added together and insured up to the SMDIA in the aggregate per insured depository institution.

### *Revocable Trust Accounts*

Funds owned by an individual and deposited into a deposit account with respect to which the owner evidences an intention that upon his/her death the funds will belong to one or more named beneficiaries are insured up to the SMDIA for each such named beneficiaries, up to five beneficiaries only, separately from any other deposit accounts of the owner or any beneficiary. For revocable trust accounts with more than five beneficiaries and more than five times the SMDIA, the maximum coverage will be the greater of five times the SMDIA or the aggregate amount of the ownership interests of each beneficiary named in the trust, up to the limit of the SMDIA per different beneficiary. The title of the account must include commonly accepted terms such as "in trust for," "as trustee for" or "payable-on-death to," and, for informal revocable trusts commonly referred to as payable-on-death accounts, in-trust-for-accounts or Totten Trust accounts, the beneficiaries must be specifically named in the deposit account records of the insured depository institution. Additionally, a beneficiary must be a person, charity or another non-profit organization (as recognized by the Internal Revenue Service). A revocable trust account established by persons (such as a husband and wife) that names the persons as the sole beneficiaries will be treated as a joint account and insured as described above under "Joint Accounts." The above information regarding revocable trust accounts is based on an interim rule effective as of the date of this Disclosure Statement, which is subject to change. The final rule on revocable trust account will be applicable to the Deposits.

### *Irrevocable Trust Accounts*

Funds (i.e., trust interests that are capable of determination without evaluation of contingencies) of a beneficiary deposited into one or more deposit accounts established pursuant to one or more irrevocable trust

agreements created by the same settlor (grantor) will be aggregated and insured up to the SMDIA. The deposit insurance of each beneficiary's interest is separate from the coverage provided for other accounts maintained by the settlor (grantor), trustee or beneficiary. When a bankruptcy trustee commingles the funds of two or more bankruptcy estates in the same trust account, the funds of each bankruptcy estate will be added together and insured up to the SMDIA, separately from the funds of any other such estate.

## **Retirement Plans and Accounts**

Deposits are sometimes held in retirement and employee benefit plan accounts. There are many types of plans and accounts. The amount of deposit insurance each will be entitled to and whether Deposits held by the plan or account will be considered separately or aggregated with Deposits of Citibank held in other plans or accounts in determining the amount of deposit insurance such accounts are entitled to will vary depending on the type of plan or account. It is therefore important to understand the type of plan or account holding the Deposit. Moreover, the Federal Deposit Insurance Corporation Improvement Act of 1991, the Federal Deposit Insurance Reform Act of 2005 and regulations enacted by the FDIC to implement these laws made changes to the deposit insurance coverage of Deposits held in retirement plans and accounts. The following sections entitled "*Individual Retirement Accounts and Other 'Self-Directed' Plan Accounts*" and "*Employee Benefit Plans*" discuss the rules that apply to Deposits of retirement plans and accounts.

### *Individual Retirement Accounts and Other "Self-Directed" Plan Accounts*

Deposits in an insured depository institution made in connection with the following types of retirement plans will be aggregated and insured up to \$250,000 per participant (this \$250,000 limit will not automatically be lowered back to \$100,000 after December 31, 2013):

- Any individual retirement account ("IRAs") described in section 408(a) of the Internal Revenue Code of 1986, as amended (the "Code");
- Any eligible deferred compensation plan described in section 457 of the Code;
- Any individual account plan defined in section 3(34) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and any plan described in section 401(d) of the Code, to the extent that participants and beneficiaries under such plans have the right to direct the investment of assets held in individual accounts maintained on their behalf by the plans.

This deposit insurance coverage is separate from, and in addition to, the coverage to which each participant is entitled for Deposits held in the same insured depository institution but in other capacities.

### *Employee Benefit Plans*

With certain limitations and exceptions, any deposit of an Employee Benefit Plan (as defined below) is insured, on a "pass-through" basis, up to the SMDIA for the vested and non-contingent interest in such deposit of each Employee Benefit Plan participant, provided that the account records of the insured depository institution indicate that the deposit is held for the benefit of each Employee Benefit Plan participant, and provided further that the Employee Benefit Plan participants can be identified from the account records of the Employee Benefit Plan administrator. This deposit insurance coverage is separate from, and in addition to, the coverage to which each participant is entitled for Deposits held in the same insured depository institution but in other capacities.

For this purpose, the term "Employee Benefit Plan" has the same meaning given to such term in section 3(3) of ERISA and also includes certain plans described in section 401(d) of the Code, and certain eligible deferred compensation plans described in section 457 of the Code. This includes "Keogh Plans" of owner-employees described in section 401(d) of the Code, tax-qualified pension, profit-sharing or stock bonus plans, and

government and church plans. However, it does not include employee welfare plans (such as health and welfare trust funds, or medical or life insurance plans). Certain Employee Benefit Plans, such as self-directed “Keogh plans,” qualify for “pass-through” deposit insurance up to \$250,000 (even after December 31, 2013).

“Pass-through” insurance means that, instead of the Employee Benefit Plan’s Deposits at one depository institution being entitled to only the SMDIA, each participant in the Employee Benefit Plan is entitled to insurance of his or her interest in the Employee Benefit Plan’s Deposits of up to the SMDIA (subject to the exceptions and limitations noted below).

This general rule regarding pass-through insurance is subject to the following limitations and exceptions:

- *Total Coverage Might Not Equal the SMDIA Times the Number of Participants.* Coverage for a plan’s Deposits is not based on the number of participants, but rather on each participant’s share of the plan. Because plan participants normally have different interests in the plan, insurance coverage cannot be determined by simply multiplying the number of participants by the SMDIA. To determine the maximum amount a plan can have on deposit in a single bank and remain fully insured, first determine which participant has the largest share of the plan assets, then divide the SMDIA by that percentage. For example, if a plan has 20 participants and qualifies for \$250,000 of insurance per participant, but one participant has an 80% share of the plan assets, the most that can be on deposit and remain fully insured is \$312,500 ( $\$250,000 / .80 = \$312,500$ ).
- *Aggregation.* An individual’s non-contingent interests in funds deposited with the same depository institution by different Employee Benefit Plans of the same employer or employee organization are aggregated for purposes of applying this pass-through the SMDIA deposit insurance limit, and are insured in aggregate only up to the SMDIA.
- *Contingent Interests/Overfunding.* Any portion of an Employee Benefit Plan’s Deposits that is not attributable to the non-contingent interests of Employee Benefit Plan participants is not eligible for pass-through deposit insurance coverage, and is insured, in aggregate, only up to the SMDIA.

The foregoing examples are based on rules issued by the FDIC, which rules are subject to change from time to time and in certain instances additional terms and conditions may apply which are not described above.

Accordingly, such examples are qualified in their entirety by such rules, and the holder is urged to discuss with its legal advisors the insurance coverage afforded to any Deposit that it may purchase. Additionally, questions about how Deposits will be insured may be addressed to your broker. Holders may also write to the following address: FDIC Division of Supervision and Consumer Protection, 550 17th Street, N.W., Washington, D.C. 20429.

To the extent that a Deposit purchaser expects its beneficial interest in the Deposits to be fully covered by FDIC insurance, such purchaser, by purchasing a Deposit, is deemed to represent to Citibank and its broker that its beneficial interest (or if it is an agent, nominee, custodian or other person who is purchasing a Deposit for its beneficial owners, that each beneficial owner’s beneficial interest) in other Deposits in Citibank, when aggregated with the beneficial interest in the Deposit so purchased, to the extent that aggregation is required in determining insurance of accounts under the federal deposit insurance regulations, does not exceed the SMDIA or \$250,000 for retirement accounts that qualify for \$250,000 of deposit insurance.

Neither we nor any broker will be obligated to any holder for amounts not covered by deposit insurance nor will we or they be obligated to make any payments to any holder in satisfaction of any loss such holder might incur, including losses that result from (a) a delay in insurance payouts applicable to its Deposit, (b) its receipt of a decreased rate of return on the reinvestment of the proceeds received as a result of a payment on a Deposit prior to its scheduled maturity, (c) payment in cash of the Deposit principal prior to maturity in connection with the liquidation of an insured institution or the assumption of all or a portion of its deposit liabilities at a lower

interest rate or (d) its receipt of a decreased rate of return as compared to the return on the applicable securities, indices, currencies, intangibles, articles, commodities or goods or any other economic measure or instrument, including the occurrence or non-occurrence of any event.

### **Preference in Right of Payment**

Federal legislation adopted in 1993 provides for a preference in right of payment of certain claims made in the liquidation or other resolution of any FDIC-insured depository institution. The statute requires claims to be paid in the following order:

- First, administrative expenses of the receiver;
- Second, any deposit liability of the institution;
- Third, any other general or senior liability of the institution not described below;
- Fourth, any obligation subordinated to depositors or general creditors not described below; and
- Fifth, any obligation to shareholders or members (including any depository institution holding company or any shareholder or creditor of such company).

For purposes of the statute, deposit liabilities include any deposit payable only at an office of the insured depository institution in the United States. They do not include international banking facility Deposits or Deposits payable at an office of the insured depository institution outside the United States.

In addition, in the view of the FDIC, any obligation of an FDIC-insured depository institution that is contingent at the time of the insolvency of the institution may not provide a basis for a claim against the FDIC as receiver for the insolvent institution.

## SECONDARY MARKET

Each broker, including Citigroup Global Markets Inc., though not obligated to do so, may maintain a secondary market in the Deposits. However, each broker may purchase and sell Deposits for its own account, as well as for the accounts of customers. Accordingly, a broker may realize profits from mark-ups on transactions for its own account, and may charge customers commissions in brokerage transactions, which mark-ups or commissions will affect the yield to maturity of such Deposits. Any commission on a brokered secondary market transaction will be reflected in a holder's Confirmation.

Secondary market transactions, if any, may be expected to be effected at prices which reflect then-current interest rates, supply and demand, time remaining until maturity and general market conditions. This means that any secondary market transactions may be effected at prices greater or less than the initial principal amount of your Deposits, and the yield to maturity on a Deposit purchased in any secondary market once the Deposit Return Amount is determined may differ from the yield to maturity on a Deposit purchased at the time of original issuance. The prices at which Deposits may trade in secondary markets, if any, may fluctuate more than ordinary interest-bearing Deposits.

Each broker may at any time, without notice, discontinue participation in any secondary market transactions in Deposits. Accordingly, a holder should not rely on the possible existence of a secondary market for any benefits, including liquidity, achieving trading profits, limiting trading or other losses, or realizing income prior to maturity.

***In the event that you purchase a Deposit in the secondary market at a premium over the principal amount, that premium would not be FDIC insured. Therefore, if FDIC insurance payments become necessary for Citibank, you would incur a loss of up to the amount of the premium paid for your Deposit.***

## CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax considerations that may be relevant to a beneficial owner of a Deposit that is a citizen or resident of the U.S. or a domestic corporation or otherwise subject to U.S. federal income tax on a net income basis in respect of a Deposit (a “U.S. Depositor”). All references to “Depositors” (including U.S. Depositors) are to beneficial owners of the Deposits. This summary is based on U.S. federal income tax laws, regulations, rulings and decisions in effect as of the date of this Disclosure Statement, all of which are subject to change at any time (possibly with retroactive effect).

This summary addresses the U.S. federal income tax consequences to U.S. Depositors who will hold the Deposits as capital assets. This summary does not address all aspects of U.S. federal income taxation that may be relevant to a particular Depositor in light of its individual investment circumstances or to certain types of Depositors subject to special treatment under the U.S. federal income tax laws, such as dealers in securities or foreign currency, financial institutions, insurance companies, tax-exempt organizations, taxpayers holding the Deposits as part of a “straddle,” “hedge,” “conversion transaction,” “synthetic security” or other integrated investment or taxpayers that have a “functional currency” other than the U.S. dollar. Moreover, the effect of any applicable state, local or foreign tax laws is not discussed. Depositors should consult their own tax advisors in determining the tax consequences to them of owning Deposits.

*In light of the variety of possible measures to which the return on a Deposit may be linked and possible payment features of a Deposit, the following discussion provides only a general summary of the applicable U.S. federal income tax considerations in connection with Deposits. Special rules may be applicable to a Deposit depending on the terms of the Deposit. Any special U.S. federal income tax considerations relevant to a Deposit, and any information specific to the Deposit, will be provided in the applicable Disclosure Supplement for that Deposit. This summary should therefore be read in conjunction with the information in the applicable Disclosure Supplement.*

### **U.S. Treasury Circular 230 Notice**

The tax discussions contained in this Disclosure Statement were written for use in connection with the promotion or marketing of the transactions or matters addressed in this Disclosure Statement. These discussions were not intended or written to be used, and cannot be used, for the purpose of avoiding U.S. tax penalties. Investors should consult their own tax advisors in determining the tax consequences to them of holding the Deposits, including the application to their particular situation of the U.S. tax issues discussed, as well as the application of state, local, foreign, or other tax laws.

### **Tax Characterization of Deposits**

A Deposit will be treated for U.S. federal income tax purposes as a debt instrument issued by Citibank. The following discussion is limited to Deposits (a) that pay interest determined by reference to a “qualified floating rate” or an “objective rate” (as defined below) in cash on a semi-annual, monthly or other similar periodic basis at least annually throughout the term of the Deposit (a “Variable Rate Deposit”), (b) that have a single market-linked interest payment at maturity and that are subject to U.S. Treasury regulations governing contingent debt instruments (the “Contingent Debt Regulations”) or (c) that have a maturity of one year or less and that provide for contingent interest payments (a “Contingent Short-Term Deposit”). This discussion does not address Deposits that are not described in the previous sentence, including Deposits paying a fixed rate of interest, Variable Rate Deposits that are issued with “original issue discount” (“OID”), Deposits that have a maturity of one year or less which do not provide for contingent interest payments, Deposits with interest determined by reference to one or more foreign currencies or Deposits with extendable maturity dates or that are subject to automatic renewal or rollover, all of which may be subject to rules not described herein. The U.S. federal income tax treatment of Deposits that are not discussed herein will be discussed in the applicable Disclosure Supplement. The applicable Disclosure Supplement will indicate whether a Deposit is a Variable Rate Deposit, a Contingent Short-Term

Deposit, is subject to the Contingent Debt Regulations or is subject to different rules and will describe any additional applicable rules.

### **U.S. Depositors — Variable Rate Deposits**

*Taxation of Interest.* A Variable Rate Deposit is a Deposit that qualifies as a variable rate debt instrument under applicable U.S. Treasury regulations. A Deposit with contingent interest payments may qualify as a variable rate debt instrument if the interest is payable at least annually at a “qualified floating rate” or at an “objective rate.” A “qualified floating rate” is generally any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the variable rate debt instrument is denominated. An “objective rate” is generally a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information. Amounts received as interest on a Variable Rate Deposit will be taxable to a U.S. Depositor as ordinary interest income at the time that such payments are accrued or are received (in accordance with the U.S. Depositor’s method of tax accounting).

*Disposition of Deposit.* Upon the sale, exchange, redemption or retirement of a Deposit, a U.S. Depositor generally will recognize capital gain or loss equal to the difference between the amount realized on the sale, exchange, redemption or retirement and the U.S. Depositor’s tax basis in such Deposit. A U.S. Depositor’s tax basis in a Deposit generally will equal the cost of such Deposit to such Depositor. Gain or loss recognized by a U.S. Depositor generally will be long-term capital gain or loss if the U.S. Depositor has held the Deposit for more than one year at the time of disposition. Long-term capital gains recognized by an individual holder generally are subject to tax at a lower rate than short-term capital gains or ordinary income. The deductibility of capital losses is subject to limitations.

### **U.S. Depositors — Deposits Subject to Contingent Debt Regulations**

*Taxation of Interest.* A U.S. Depositor owning Deposits subject to the Contingent Debt Regulations will recognize income (or loss) on a Deposit in accordance with these regulations. The Contingent Debt Regulations require the application of a “noncontingent bond method” to determine accruals of income, gain, loss and deductions with respect to a contingent debt obligation. Under the Contingent Debt Regulations, Citibank is required to determine a “comparable yield” for a Deposit. As described in more detail below, a U.S. Depositor owning a Deposit subject to the Contingent Debt Regulations will be required under the U.S. federal income tax rules applicable to debt instruments issued with OID to accrue interest on a Deposit at the comparable yield. A U.S. Depositor’s taxable income for each year prior to maturity of a Deposit therefore is likely to be higher than the amount of payments, if any, made on the Deposit in that year.

The comparable yield means the annual yield at which Citibank would issue, as of the initial date of deposit, a fixed-rate debt instrument that does not provide for contingent payments but that otherwise has terms and conditions comparable to those of the Deposit. In addition, solely for purposes of determining the amount of interest income that a U.S. Depositor will be required to accrue, Citibank also is required to construct a “projected payment schedule” in respect of a Deposit. The payments set forth on the schedule must produce a total return on the Deposit equal to the comparable yield. The projected payment schedule includes fixed or floating periodic interest payments if the terms of the Deposit so provide, and a payment at maturity (the “Projected Payment Amount”). The Projected Payment Amount is calculated as the amount required to produce the comparable yield, taking into account the Deposit’s issue price, and periodic interest payments, if any, on the Deposit. The Disclosure Supplement for a Deposit will provide the applicable comparable yield and the schedule of projected payments with respect to a Deposit. *The comparable yield and the Projected Payment Amount are used to determine accruals of interest FOR TAX PURPOSES ONLY and are not assurances or predictions by Citibank with respect to the actual yield of or payment to be made in respect of a Deposit. The comparable yield and the Projected Payment Amount do not necessarily represent Citibank’s expectations regarding such yield or the amount of such payment.*

Under the OID rules, a U.S. Depositor will be required to include as ordinary interest income the sum of the “daily portions” of OID with respect to the Deposit for each day during the taxable year that the U.S. Depositor owns the Deposit. The daily portions of OID with respect to a Deposit are determined by allocating to each day in any accrual period a ratable portion of the OID allocable to that accrual period. The amount of OID on a Deposit allocable to each accrual period is determined by multiplying the “adjusted issue price” (as defined below) of the Deposit at the beginning of the accrual period by the comparable yield of the Deposit (appropriately adjusted to reflect the length of the accrual period). The “adjusted issue price” of a Deposit at the beginning of any accrual period will generally be the sum of its issue price and the amount of OID allocable to all prior accrual periods, less the amounts of any payments made in all prior accrual periods.

*Disposition of Deposits.* When a U.S. Depositor sells, exchanges or otherwise disposes of a Deposit (including upon repayment of the Deposit at maturity) (a “disposition”), the U.S. Depositor’s gain (or loss) on such disposition will equal the difference between the amount received by the U.S. Depositor for the Deposit and the U.S. Depositor’s tax basis in the Deposit. A U.S. Depositor’s tax basis (i.e., adjusted cost) in a Deposit will be equal to the U.S. Depositor’s original purchase price for such Deposit, plus any OID accrued by the U.S. Depositor, less the amount of any payments previously received.

If the amount received with respect to a Deposit at maturity exceeds the Projected Payment Amount, the U.S. Depositor will be required to include such excess in income as ordinary income. Alternatively, if the amount received at maturity is less than the Projected Payment Amount, then a U.S. Depositor will have recognized taxable income in periods prior to maturity that exceeds that Depositor’s economic income from holding the Deposit during such periods. The difference between the Projected Payment Amount and the amount received at maturity will be treated as an offset to any interest otherwise includible in income by the U.S. Depositor with respect to the Deposit for the taxable year in which maturity occurs, but only to the extent of the amount of such includible interest. Any remaining portion of such shortfall may be recognized and deducted by the U.S. Depositor as an ordinary loss to the extent of the U.S. Depositor’s previous OID inclusions with respect to the Deposit.

On a disposition of a Deposit other than repayment of a Deposit at maturity, any gain realized by a U.S. Depositor will be treated as ordinary interest income. Any loss realized by a U.S. Depositor on a disposition will be treated as an ordinary loss to the extent of the U.S. Depositor’s OID inclusions with respect to the Deposit up to the date of disposition. Any loss realized in excess of such amount generally will be treated as a capital loss.

#### **U.S. Depositors — Contingent Short-Term Deposits.**

*Taxation of Interest.* A Deposit will be considered to be a Contingent Short-Term Deposit if it has a maturity of one year or less and provides for one or more contingent interest payments. The rules applicable to short-term debt obligations do not address how to accrue income with respect to a future contingent payment. Taxpayers using an accrual method of accounting generally are not required to include amounts in income until all the events have occurred that fix the right to receive the income and the amount of the income can be determined with reasonable accuracy. Accordingly, although no assurance can be given that the Internal Revenue Service will accept, or that a court will uphold, the following tax treatment, a Depositor should not be required to include amounts in income in respect of a market-linked interest payment on a Contingent Short-Term Deposit prior to the date on which the amount of such payment becomes fixed. Market-linked payments will be treated as interest, and taxed as ordinary income.

*Disposition of Deposits.* Upon the sale, exchange or retirement of a Contingent Short-Term Deposit, a U.S. Depositor generally will recognize short-term capital gain or loss equal to the difference between the amount received on the sale, exchange or retirement (except to the extent such amount is attributable to accrued interest income, if any, which is taxable as ordinary income), and such Depositor’s tax basis in the Contingent Short-Term Deposit. A U.S. Depositor’s tax basis in a Contingent Short-Term Deposit generally will equal the cost of the Contingent Short-Term Deposit to such Depositor.

## **U.S. Depositors — Information Reporting and Backup Withholding.**

Information returns may be required to be filed with the IRS relating to payments made to a particular U.S. Depositor. In addition, U.S. Depositors that are not corporations, tax-exempt organizations or otherwise treated as “exempt recipients” may be subject to backup withholding tax on such payments if they do not provide their taxpayer identification numbers to the applicable withholding agent in the manner required.

## **Non-U.S. Depositors**

The following is a summary of certain U.S. federal income tax consequences that will apply to Non-U.S. Depositors. The term “Non-U.S. Depositor” means a beneficial owner of a Deposit that is a foreign corporation or nonresident alien. **Non-U.S. Depositors should consult their own tax advisors to determine the U.S. federal, state and local and any foreign tax consequences that may be relevant to them.**

*Payments with Respect to the Deposits.* In general, a Non-U.S. Depositor will not be subject to backup withholding and information reporting with respect to payments made with respect to the Deposits provided that (i) the Non-U.S. Depositor certifies on Internal Revenue Service Form W-8BEN (or successor form), under penalties of perjury, that it is not a U.S. person and provides its name and address or otherwise satisfies applicable documentation requirements and (ii) Citibank does not have actual knowledge or reason to know that such Non-U.S. Depositor is a U.S. person. In addition, no backup withholding will be required regarding the proceeds of the sale of the Deposits made within the U.S. or conducted through certain U.S. financial intermediaries if the applicable withholding agent receives the statement described above and does not have actual knowledge or reason to know that the Non-U.S. Depositor is a U.S. person or the Non-U.S. Depositor otherwise establishes an exemption.

Under current law, all payments on the Deposits made to a Non-U.S. Depositor, and any gain realized on a sale, exchange or redemption of the Deposits, will be exempt from U.S. income and withholding tax.

*U.S. Federal Estate Tax.* A Deposit beneficially owned by a Non-U.S. Depositor who at the time of death is neither a resident nor citizen of the U.S. should not be subject to U.S. federal estate tax, provided that interest in the Deposits is not then effectively connected with the conduct of a U.S. trade or business.

## **Recent Legislative Developments Potentially Affecting Taxation of Deposits Held By or Through Foreign Entities**

Proposed legislation recently introduced in the United States Congress would generally impose a withholding tax of 30 percent on interest income from debt instruments and the gross proceeds of a disposition of debt instruments paid to a foreign financial institution, unless such institution enters into an agreement with the U.S. government to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which would include certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners). The proposed legislation would also generally impose a withholding tax of 30 percent on interest income from the Deposits and the gross proceeds of a disposition of the Deposits paid to a non-financial foreign entity unless such entity provides the withholding agent with a certification identifying the direct and indirect U.S. owners of the entity. Under certain circumstances, a Non-U.S. Depositor might be eligible for refunds or credits of such taxes. Investors are encouraged to consult with their own tax advisors regarding the possible implications of this proposed legislation on their investment in the Deposits.

## ERISA MATTERS

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes certain restrictions on employee benefit plans that are subject to ERISA and on persons who are fiduciaries with respect to those plans. In accordance with ERISA’s general fiduciary requirements, a fiduciary with respect to any such plan who is considering the purchase of Deposits on behalf of the plan should determine whether the purchase is permitted under the governing plan documents and is prudent and appropriate for the plan in view of its overall investment policy and the composition and diversification of its portfolio.

Each purchaser of Deposits or any interest therein will be deemed to have represented and warranted on each day from and including the date of its purchase or other acquisition of the Deposits through and including the date of disposition of such Deposits that either: (a) it is not (i) an employee benefit plan subject to the fiduciary responsibility provisions of ERISA, (ii) an entity with respect to which part or all of its assets constitute assets of any such employee benefit plan by reason of C.F.R. 2510.3-101 or otherwise, (iii) a plan described in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (the “Code”) (for example, individual retirement accounts, individual retirement annuities of Keogh plans), or (iv) a government or other plan subject to federal, state or local law substantially similar to the fiduciary responsibility provisions of ERISA or Section 4975 of the Code ((i), (ii), (iii) and (iv) collectively, “Plans”); or (b) if it is a Plan, none of Citibank, N.A., its affiliates or any employee thereof manages the Plan or provides advice that serves as a primary basis for the Plan’s decision to purchase, hold or dispose of the Deposits. However, individual retirement accounts, individual retirement annuities and Keogh plans, as well as employee benefit plans that permit participants to direct the investment of their accounts, will not be permitted to purchase or hold the Deposits if the account, plan or annuity is for the benefit of an employee of Citigroup Global Markets or a family member and the employee receives any compensation (such as, for example, an addition to bonus) based on the purchase of Deposits by the account, plan or annuity.

