

DEAR FELLOW SHAREHOLDERS,



A significant disruption in the United States' credit markets has been under way for some time, and the most pressing question today is how much effect these disruptions will have on the United States' economy and for how long. There are many divergent opinions as to how serious and how prolonged those effects may be, with some thoughtful observers predicting a relatively high degree of difficulty and others who think that a less marked slowdown is more likely. I don't think there is any basis for a reliable choice between those views. But, in any case, there is ample reason for concern, and the risk that conditions will be challenging and complicated seems to be increasing.

The best way Citi can now serve its clients and shareholders is to continue to put its own house in order and to continue building prudently on our strengths and our opportunities, as our new management team is doing. Chief Executive Officer Vikram Pandit and Chairman Sir Win Bischoff bring the right perspective, the right talents and capabilities and the right sense of urgency and commitment to their roles. Vikram's deep executive and risk management experience – as well as his exceptional strategic capabilities – equip him exceedingly well to address Citi's issues, to build on its great strengths and to lead the company forward. Win's extensive international financial experience, his keen understanding of many of Citi's businesses, and his sound judgment will contribute greatly to the company realizing its potential.

Citi, with its unparalleled global reach and integration into local communities around the world, has a very special role to play for its clients in times like these and a special place in the world economy. When markets are difficult and economies are slowing, Citi becomes even more important to clients, as they look to our global presence and trusted expertise for judgments about how to manage and adapt to this change.

All of the strategic focus of Citi relates to a global economy that is undergoing transformative change of historic proportions, fueled by technology, globalization in trade and capital flows and the emergence of China, India, Brazil and other emerging market countries as major economic forces. This change creates great opportunities for all economies. But, to realize that potential, each economy must take sound policy actions to meet their respective challenges. And failure to meet those challenges could lead to extended difficulty.

In this context, the United States has enormous strengths – the dynamism of our society, the willingness to take risk and flexible labor and capital markets. The American economy could thrive in today's rapidly changing global economy. But, to do so, it has much to accomplish in areas ranging from fiscal conditions to public education, infrastructure, international economic policy and much else.

On a closing note, Citi also has great strengths – a cultural embrace of change, a huge critical mass in both capabilities and markets and strong people. With these attributes, our new leadership, and powerful focus on meeting our challenges, Citi is well positioned to prosper over time, for the benefit of our clients, our employees and our shareholders.

A handwritten signature in black ink, appearing to read "R. E. Rubin". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert E. Rubin