



## Press Release

15 January 2008

### **GIC INVESTS USD 6.88 BILLION IN CITIGROUP**

The Government of Singapore Investment Corporation (GIC) has agreed to participate in Citigroup's private offering of convertible preferred securities through an investment of USD 6.88 billion. Including GIC's current holdings of 0.3%, the investment, if converted to shares, will bring GIC's holdings of Citigroup shares to about 4% of the expanded capital base.

Commenting on the investment, Dr Tony Tan Keng Yam, GIC's Deputy Chairman and Executive Director said, "GIC is a financial investor seeking commercial returns on a long-term basis. Citigroup is an excellent addition to GIC's portfolio as it is one of the largest banks in the world with an attractive global franchise. We believe that the investment in Citigroup will meet our long-term investment objective in terms of risk and return."

Dr Tan added, "GIC has confidence in Citigroup's Board of Directors headed by Sir Winfried Bischoff, and the new management team led by Mr Vikram Pandit. We believe that decisive action has been taken to further strengthen the balance sheet and profitability of the bank. Furthermore, the investment that GIC has made is through convertible preferred securities, which gives appropriate downside protection."

GIC is a financial investor and will not be taking a seat on Citigroup's Board.



### Convertible Preferred Securities

Convertible preferred securities enjoy a fixed rate of coupon payment until they are converted to shares. Unlike common stocks or mandatory convertible securities, their downside risk is more limited. GIC's recent announced investment in UBS involves mandatory convertible securities. It cannot be directly compared with the Citigroup investment. Please refer to the attachment for the terms of the securities in the Citigroup investment.

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