

SYNOPSIS DATED JULY 21, 2008

The following is a synopsis only and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing in the Information Statement dated January 31, 2006, as amended by Addendum No. 1 thereto dated March 6, 2006 (the "Information Statement"). The information contained herein has been updated to reflect changes since the date of the Information Statement. Capitalized terms that are used but not defined herein are defined in the Information Statement.



CITIBANK CANADA

Blue Chip Optimizer Principal Protected Notes, Series 2 *Guaranteed Principal Repayment*

On March 30, 2006 (the "Settlement Date"), Citibank Canada has issued Blue Chip Optimizer Principal Protected Notes, Series 2 (the "Notes"), in denominations of \$100, the return on which is linked, in the manner provided herein, to the price performance of the common shares (each a "Share" and collectively, the "Shares") of the eight following companies (each a "Reference Company" and collectively the "Reference Companies"):

- 3M Company
- Alcoa Inc.
- Bank of America Corporation
- BCE Inc.
- Microsoft Corporation
- Loblaw Companies Limited
- Pfizer Inc.
- Power Financial Corporation

Effective November 14, 2007, due to a Merger Event, the Shares of Alcan Inc. were replaced by the Shares of Alcoa Inc. In order to reflect the realized performance of the Shares of Alcan Inc. as at such date, the Starting Share Level of the Shares of Alcoa Inc. was adjusted downward to US\$20.46.

Term of the Notes and Payment at Maturity

The Notes will mature on March 31, 2014 (the "Maturity Date"), subject to postponement if such date, as initially scheduled, is not a Trading Day or if a Market Disruption Event occurs or continues on such date.

On the third Business Day following the Maturity Date (the "Payment Date"), each holder of Notes (a "Holder") as at the Maturity Date will receive, in respect of each Note held by such Holder, repayment of \$100, being the principal amount of a Note (the "Principal Amount") plus a return, if any (the Principal Amount and the return, if any, are collectively referred to as the "Maturity Redemption Amount").

All payments on the Notes will be made by Citibank Canada to CDS Clearing and Depository Services Inc. or its nominee ("CDS"), as registered holder, for distribution by CDS to its participants' accounts. The payments to be made to Holders who subscribed their Notes through FundSERV will be paid through CDS or its nominee to National Bank Trust, as CDS Participant, and will then be distributed by National Bank Financial Inc. ("NBF") to Holders in accordance with the register showing records of beneficial interest in the Notes maintained by NBF.

Charges

Citibank Canada has paid OpenSky Capital Inc. (the "Agent") an amount equal to 2% of the gross amount of the Notes for the performance by the Agent of its obligations under the Agency Agreement and has paid the members of the selling group for the sale of the Notes a commission of 4% of the gross amount of the Notes. These payments will not have an impact on the Maturity Redemption Amount. There is no charge payable by the Holders which will have an impact on the Maturity Redemption Amount.

Return at Maturity

The Notes do not bear interest.

At the Payment Date, each Holder as at the Maturity Date will receive, in respect of each Note held by such Holder, the Maturity Redemption Amount, which will be equal to the greater of: (i) the Principal Amount, and (ii) the Principal Amount multiplied by the sum of 1 + the Total Locked-In Share Performance.

The Total Locked-In Share Performance will be the sum of the eight Locked-In Share Performances calculated as of each annual Locked-In Share Performance Determination Date. Each selected Locked-In Share Performance will be expressed as the difference between (i) the price performance (capped at 114.00%) of the Share having shown the best price performance since the Settlement Date among the Shares not previously discarded, and (ii) 100%. When the price performance of a Share is “locked-in” (i.e., selected to determine a Locked-In Share Performance), that Share is discarded for purposes of computing future Locked-In Share Performances.

The maximum Maturity Redemption Amount is \$212.00, which is equivalent to a simple rate of return of 14.00% per annum over eight years. This maximum return will be achieved only if each Locked-In Share Performance is equal to 14.00%.

Risks on the Notes

Investment in the Notes is subject to certain risk factors. Investors should carefully consider the risks associated with acquiring and holding Notes, including the following factors and other risk factors set forth in the Information Statement:

No Guaranteed Return on Notes

While a Holder is entitled to payment on the Payment Date which cannot be less than the Principal Amount of the Note, the Notes do not bear interest and there can be no assurance that the Notes will show any return. Historical returns on the Shares should not be considered as an indication of the future performance of the Notes. No assurance can be given, and none is intended to be given, that any of the Shares will appreciate in the period during which the Notes are outstanding and that any return will be achieved on the Notes at the Maturity Date.

Secondary Market for the Notes / Possible Illiquidity of Secondary Market

The Notes are not listed on any stock exchange. Despite the fact that NBF intends, subject to certain conditions, to maintain until the Maturity Date, under normal market conditions, a daily secondary market for the Notes, it is not possible to predict how the Notes will trade in the secondary market or whether such market will be liquid or illiquid. Holders choosing to sell their Notes prior to the Maturity Date may be unable to sell their Notes, and, if a sale is possible, may receive a market price substantially less than the Principal Amount and which does not necessarily reflect any increase in the price of Shares, including any Locked-In Share Performance, up to the date of such sale or to the most recent Locked-In Share Performance Determination Date.

Return not Reflective of an Investment in a Portfolio Composed of all Shares until Maturity

The Total Locked-In Share Performance, calculated only at the Maturity Date, will be the result of the sum of each of the eight Locked-In Share Performances determined on each Locked-In Share Performance Determination Date. On each such Locked-In Share Performance Determination Date, a Share will be withdrawn and will therefore no longer be taken into account to determine future Locked-In Share Performances. As a result, the Locked-In Share Performances determined on the subsequent Locked-In Share Performance Determination Dates shall be determined from a lesser number of eligible Shares. The investor is therefore not exposed to the same risk as if it held all the underlying securities until the Maturity Date.

Return not Reflective of Full Appreciation

The Maturity Redemption Amount might not reflect the full appreciation of the Shares as any Locked-In Share Performance is capped at 14.00%.

Risks Relating to the Shares

Historical prices of the Shares should not be taken as an indication of their future price. It is impossible to predict whether the price of the Shares will increase or decrease. Trading prices of the Shares will be influenced by both the complex and interrelated political, economic, financial and other factors that can affect the capital markets generally and the equity trading markets on which the Shares are traded, and by various circumstances that can influence the value of a particular Share.

Share Substitution / Adjustments

The Calculation Agent may substitute Shares or make adjustments upon the occurrence of certain events. No assurance can be given that a New Reference Company will carry on a business similar to the business carried on by the Replaced Reference Company and that the Shares of such New Reference Company will perform on a basis comparable to what would have been the performance of Shares of the Replaced Reference Company, and no assurance can be given that the result of the adjustments would correspond to the decisions that an investor holding the Shares directly would have made in equivalent circumstances. Furthermore, a Holder should realize that if a Reference Company becomes insolvent or bankrupt, it may result in the Total Locked-In Share Performance being nil, notwithstanding such Reference Company being replaced by a New Reference Company.

Return Does Not Reflect Dividends and Distributions

The performance of the Shares will not reflect any dividends, distributions or other payments on such Shares (price performance). Therefore, the yield to maturity based on the methodology for calculating the Maturity Redemption Amount will not be the same as the yield which may be produced if such Shares were purchased directly and held for the same period.

Credit Risk

Because the ultimate obligation to make payments to Holders of the Notes is incumbent upon Citibank, N.A. (the “Guarantor”), the likelihood that such Holders will receive the payments owing to them in connection with the Notes, including the Principal Amount, will be dependent upon the financial health and creditworthiness of the Guarantor.

Distinction between the Notes and Fixed-Rate Investments

The terms of the Notes differ from those of fixed-rate investments, in that a return, if any, is payable on the Notes only at the Payment Date and only to the extent that the Maturity Redemption Amount exceeds the Principal Amount as at the Maturity Date. The Maturity Redemption Amount will exceed the Principal Amount only if the Total Locked-In Share Performance is positive. Such an appreciation is contingent on events that are inherently difficult to predict and which are beyond Citibank Canada’s control. Accordingly, there can be no assurance that any such appreciation will occur, or that more than the Principal Amount will ever be payable with respect to the Notes.

Purchase Considerations

An investor should reach a decision to invest in the Notes after careful consideration with his or her advisors, as to the suitability of the Notes in light of his or her investment objectives. A purchase of Notes as part of an overall diversified portfolio may be appropriate to an investor if such investor:

- seeks exposure to the shares of a group of “blue chip” reference companies;
- is uncomfortable putting principal at risk over the term of the Notes;
- is comfortable with a return formula that limits appreciation to an amount that is the equivalent to a simple rate of return of 14.00% per annum over eight years with no downside exposure limit;
- is comfortable with a return formula that limits exposure to any one Share to a single period over the term of the Notes;
- is comfortable assuming the risk that only the Principal Amount may be payable at maturity;
- is willing to hold the Notes until the Maturity Date;
- does not seek to receive current income or other payments from the Notes prior to the Maturity Date.

Notes Do Not Constitute Insurer Deposits

The Notes do not constitute deposits that are insured under the *Canada Deposit Insurance Act* or any other deposit insurance regime.

Redemption before Maturity

The Notes are not subject to redemption at the option of Citibank Canada or any investor prior to the Maturity Date.

Secondary Market

The Notes are not listed on any stock exchange.

NBF currently maintains a daily secondary market for the Notes, in which the maximum bid-offer spread is 1.00% of the Bid Price (excluding commissions) when orders and settlements are made through FundSERV and 1.00% of the Principal Amount (excluding commissions) when orders and settlements are not made through FundSERV.

Rescission Right

No rescission right is available to a person buying Notes.

Amendment to the Notes

The Notes may be amended without the consent of the holders by agreement between Citibank Canada and the Agent if, in the reasonable opinion of Citibank Canada and the Agent, the amendment would not materially and adversely affect the interests of the holders. In other cases, the Notes may be amended if the amendment is approved by a resolution passed by not less than 66 2/3% of the holders of Notes represented at a meeting convened for the purpose of considering the resolution.

Conflict of Interest

Since Citibank Canada is also the entity in charge of calculating the Maturity Redemption Amount (the “Calculation Agent”), the Calculation Agent may have economic interest adverse to those of the holders, including with respect to certain determinations that the Calculation Agent must make in determining the Maturity Redemption Amount, the Locked-In Share Performance, in determining whether a Market Disruption Event, Potential Adjustment Event, Merger Event, Tender Offer, Nationalization, Insolvency, Hedging Disruption or Delisting Event has occurred and making related adjustments or substitutions in connection therewith, as applicable, and in making certain other determination with regard to the Shares.

Guarantee

The payment of all amounts under the Notes when and as they shall become due and payable is irrevocably and unconditionally guaranteed by Citibank, N.A.

Available Information

Additional information regarding the Notes, including (i) the net asset value of the Notes on a specified day and how that value is related to the return on maturity of the Notes, and (ii) the last available price, before the specified day, of the Shares and the performance of such Shares, is available on request to Citibank Canada, 123 Front Street West, 10th Floor, Toronto, Ontario, M5J 2M3, attention: Sreenath Kodancha, tel: 416-947-5388, fax: 416-947-5642.