CITIGROUP INC
Form 10-Q
May 07, 2010

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2010

Commission file number 1-9924

Citigroup Inc.

(Exact name of registrant as specified in its charter)

Delaware	**52-1568099**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
399 Park Avenue, New York, NY	**10043**
(Address of principal executive offices)	(Zip code)

(212) 559-1000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ý No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ý No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ý	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No ý

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date:

Common stock outstanding as of April 30, 2010: 28,979,879,336

Available on the web at www.citigroup.com

Table of Contents

CITIGROUP INC.

FIRST QUARTER 2010 FORM 10-Q

OVERVIEW	3
CITIGROUP SEGMENTS AND REGIONS	4
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	5
EXECUTIVE SUMMARY	5
RESULTS OF OPERATIONS	5
SUMMARY OF SELECTED FINANCIAL DATA	7
SEGMENT, BUSINESS AND PRODUCT INCOME (LOSS) AND REVENUES	9
Citigroup Income (Loss)	9
Citigroup Revenues	10
CITICORP	11
Regional Consumer Banking	12
North America Regional Consumer Banking	13
EMEA Regional Consumer Banking	15
Latin America Regional Consumer Banking	16
Asia Regional Consumer Banking	17
Institutional Clients Group	18
Securities and Banking	19
Transaction Services	21
CITI HOLDINGS	22
Brokerage and Asset Management	23
Local Consumer Lending	24
Special Asset Pool	26
CORPORATE/OTHER	29
SEGMENT BALANCE SHEET	30
CAPITAL RESOURCES AND LIQUIDITY	31
Capital Resources	31
Funding and Liquidity	36
OFF-BALANCE-SHEET ARRANGEMENTS	39
MANAGING GLOBAL RISK	

40
Credit Risk 40
Loan and Credit Overview 40
Loans Outstanding 41
Details of Credit Loss Experience 46
Non-Accrual Assets 47
Consumer Loan Details 50
Consumer Loan Delinquency Amounts and Ratios 50
Consumer Loan Net Credit Losses and Ratios 51
Consumer Loan Modification Programs 52
U.S. Consumer Lending 53
Corporate Credit Portfolio 62
Market Risk 65
Average Rates Interest Revenue, Interest Expense and Net Interest Margin 67
Average Balances and Interest Rates Assets 68
Average Balances and Interest Rates Liabilities and Equity, and Net Interest Revenue 69
Analysis of Changes in Interest Revenue 70
Analysis of Changes in Interest Expense and Net Interest Revenue 71
Cross-Border Risk 72
DERIVATIVES 73
INCOME TAXES 75
CONTRACTUAL OBLIGATIONS 76
CONTROLS AND PROCEDURES 76
FORWARD-LOOKING STATEMENTS 77
TABLE OF CONTENTS FOR FINANCIAL STATEMENTS AND NOTES 78
CONSOLIDATED FINANCIAL STATEMENTS 80
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS 89
OTHER INFORMATION 176
Item 1. Legal Proceedings 176
Item 1A. Risk Factors 177
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds 178

Item 6. Exhibits 179
Signatures 180
Exhibit Index 181

Table of Contents

OVERVIEW

Introduction

Citigroup's history dates back to the founding of Citibank in 1812. Citigroup's original corporate predecessor was incorporated in 1988 under the laws of the State of Delaware. Following a series of transactions over a number of years, Citigroup Inc. was formed in 1998 upon the merger of Citicorp and Travelers Group Inc.

Citigroup is a global diversified financial services holding company whose businesses provide consumers, corporations, governments and institutions with a broad range of financial products and services. Citi has approximately 200 million customer accounts and does business in more than 140 countries.

Citigroup currently operates, for management reporting purposes, via two primary business segments: Citicorp, consisting of our *Regional Consumer Banking* businesses and *Institutional Clients Group*; and Citi Holdings, consisting of our *Brokerage and Asset Management* and *Local Consumer Lending* businesses, and a *Special Asset Pool*. There is also a third segment, *Corporate/Other*. For a further description of the business segments and the products and services they provide, see "Citigroup Segments" below, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 3 to the Consolidated Financial Statements.

Throughout this report, "Citigroup" and "Citi" refer to Citigroup Inc. and its consolidated subsidiaries.

This Quarterly Report on Form 10-Q should be read in conjunction with Citigroup's Annual Report on Form 10-K for the year ended December 31, 2009.

Additional information about Citigroup is available on the company's Web site at *www.citigroup.com*. Citigroup's recent annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, as well as its other filings with the Securities and Exchange Commission (SEC) are available free of charge through the company's Web site by clicking on the "Investors" page and selecting "All SEC Filings." The SEC's Web site also contains periodic and current reports, proxy and information statements, and other information regarding Citi, at *www.sec.gov*.

Certain reclassifications have been made to the prior periods' financial statements to conform to the current period's presentation.

Within this Form 10-Q, please refer to the tables of contents on pages 2 and 78 for page references to Management's Discussion and Analysis of Financial Condition and Results of Operations and Notes to Consolidated Financial Statements, respectively.

Impact of Adoption of SFAS 166/167

Effective January 1, 2010, Citigroup adopted Accounting Standards Codification (ASC) 860*, Transfers and Servicing,* formerly SFAS No. 166*, Accounting for Transfers of Financial Assets, an amendment of FASB Statement No. 140* (SFAS 166), and ASC 810*, Consolidations,* formerly SFAS No. 167*, Amendments to FASB Interpretation No. 46(R)* (SFAS 167). Among other requirements, the adoption of these standards includes the requirement that Citi consolidate certain of its credit card securitization trusts and eliminate sale accounting for transfers of credit card receivables to those trusts. As a result, reported and managed basis presentations are comparable for periods beginning January 1, 2010. For comparison purposes, prior period revenues, net credit losses, provisions for credit losses and for benefits and claims including managed net credit losses and loans are presented on a managed basis in this Form 10-Q. Managed presentations were applicable only to Citi's North American branded and retail partner credit card operations in *North America Regional Consumer Banking* and Citi Holdings *Local Consumer Lending* and any aggregations in which they are included. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Executive Summary," "Capital Resources and Liquidity" and Note 1 to the Consolidated Financial Statements for an additional discussion of the adoption of SFAS 166/167 and its impact on Citigroup.

Table of Contents

As described above, Citigroup is managed pursuant to the following segments:

The following are the four regions in which Citigroup operates. The regional results are fully reflected in the segment results above.

(1) *Asia* includes Japan, *Latin America* includes Mexico, and *North America* comprises the U.S., Canada and Puerto Rico.

Table of Contents

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FIRST QUARTER 2010 EXECUTIVE SUMMARY

Overview of Results

Citigroup reported net income of $4.4 billion, or $0.15 per diluted share, for the first quarter of 2010. Results reflected strong capital markets revenues, an improving credit environment and the impact of Citi's continued expense discipline. Citicorp's net income was $5.1 billion; Citi Holdings had a net loss of $0.9 billion. Both segments benefitted from a decline in net credit losses during the first quarter of 2010.

The first quarter of 2010 results reflected the adoption of SFAS 166/167, which resulted in the consolidation of $137 billion of incremental assets and $146 billion of liabilities onto the Consolidated Balance Sheet, including securitized credit card receivables. On the date of adoption of SFAS 166/167 (January 1, 2010), Citi's risk-weighted assets increased by a net $10 billion, the loan loss allowance was increased by $13.4 billion, deferred tax assets were increased by $5.0 billion, and retained earnings were reduced by $8.4 billion. The adoption also translated into a reduction in Tangible Common Equity of $8.4 billion, and decreased Tier 1 Common by $14.2 billion or 138 basis points. The impact to Citi's capital was largely offset by the earnings in the quarter. The Tier 1 Capital and Tier 1 Common ratios were 11.28% and 9.11%, respectively, at March 31, 2010. (Tangible Common Equity and Tier 1 Common and related ratios are non-GAAP financial measures, as defined by the SEC. See "Capital Resources and Liquidity Capital Resources" for additional information on these measures.)

Revenues of $25.4 billion decreased 6% from comparable year-ago levels due primarily to lower revenues in *Securities and Banking* and *Local Consumer Lending*, offset by higher revenues in *Special Asset Pool.* The absence of Smith Barney revenues in the current quarter (which approximated $1.7 billion in the first quarter of 2009, recorded in *Brokerage and Asset Management*) also contributed to the decline in revenues.

Securities and Banking revenues were $8 billion in the first quarter of 2010, compared to $12.2 billion in the year-ago period. *Securities and Banking* revenues were particularly strong in the first quarter of 2009 driven by strong fixed income markets revenues as well as $2.7 billion of positive credit value adjustments (CVA), compared to $289 million of positive CVA in the first quarter of 2010. The first quarter of 2010 saw continued strength in the fixed income markets in *Securities and Banking*.

Regional Consumer Banking revenues were up $245 million to $8.1 billion on a comparable basis. *Transaction Services* revenues were up 3% to $2.4 billion.

Local Consumer Lending revenues of $4.7 billion in the first quarter of 2010 were down 22% year-over-year on a comparable basis, driven by a declining asset base and the absence of a $1.1 billion gain on the sale of Redecard shares in the first quarter of 2009.

Revenues in the *Special Asset Pool* grew to $1.5 billion in the first quarter of 2010, from negative $4.5 billion in the prior year, driven by $1.4 billion of positive net revenue marks in the first quarter of 2010 (versus $4.5 billion of negative marks in the first quarter of 2009).

Net interest revenue increased 13% from the first quarter of 2009, primarily reflecting the adoption of SFAS 166/167. Citi's net interest margin (NIM) increased by 67 basis points to 3.32% during the first quarter of 2010. Nearly three-quarters of the increase was due to the adoption of SFAS 166/167. The remainder of the increase was driven by the absence of interest payments on trust preferred securities repaid in the fourth quarter of 2009 as well as the deployment of cash into higher-yielding investments.

Non-interest revenue decreased 6% from a year ago, primarily reflecting adoption of SFAS 166/167 as well as the absence of the $1.1 billion Redecard gain in the first quarter of 2009.

Operating expenses decreased 1% from the year-ago quarter and were down 6% from the fourth quarter of 2009 reflecting Citigroup's continued expense discipline. Citi's full-time employees were 263,000 at March 31, 2010, down 46,000 from March 31, 2009 and down 2,000 from December 31, 2009.

Net credit losses of $8.4 billion in the first quarter of 2010 were down 15% from year-ago levels and down 16% from the fourth quarter of 2009. Consumer net credit losses of $8.0 billion were down 3% from last year and down 10% from the prior quarter.

Citi's total allowance for loan losses was $48.7 billion at March 31, 2010, or 6.8% of total loans. This was up from 6.1% of total loans at December 31, 2009 and reflected an increase in loans of approximately $130 billion and an increase in loan loss reserves of $12.7 billion during

the quarter, primarily reflecting the adoption of SFAS 166/167. During the first quarter of 2010, Citi had a net release of $18 million to its credit reserves, compared to a net build of $2.6 billion in the first quarter of 2009 and a net build of $706 million in the fourth quarter of 2009.

The total allowance for loan losses for consumer loans increased to $41.4 billion at the end of the quarter, or 7.8% of consumer loans, up from 6.7% of consumer loans at the end of the fourth quarter of 2009. The increase was primarily due to the adoption of SFAS 166/167. During the first quarter of 2010, both early- and later-stage delinquencies improved across most of the consumer loan portfolios, driven by improvement in North America mortgages. Delinquencies declined in first and second mortgages reflecting asset sales, organic improvement and modifications under the U.S. Treasury's Home Affordable Modification Program (HAMP) moving to permanent status. For total consumer loans, the 90 days or more consumer loan delinquency rate was 4.02% at March 31, 2010, compared to 4.28% at December 31, 2009 and 3.51% a year ago. The 30 to 89 days past due consumer loan delinquency rate was 3.11% at March 31, 2010, compared to 3.46% at December 31, 2009 and 3.38% a year ago. Consumer non-accrual loans totaled $15.6 billion at

Table of Contents

March 31, 2010, compared to $18.3 billion at December 31, 2009 and $14.9 billion at March 31, 2009.

The total allowance for loan losses for funded corporate loans declined to $7.3 billion at the end of the quarter, or 3.9% of corporate loans, down from 4.6% in the fourth quarter of 2009. Corporate non-accrual loans were $12.9 billion at March 31, 2010, compared to $13.5 billion at December 31, 2009 and $11.2 billion a year ago. The decrease from the prior quarter was mainly due to loan sales and paydowns, which were partially offset by increases due to weakening of certain specific credits.

Citi's effective tax rate on continuing operations for the first quarter of 2010 was 20%. The effective tax rate reflected taxable earnings in lower rate jurisdictions, as well as income from tax advantaged sources.

Total deposits were $828 billion at March 31, 2010, down 1% from December 31, 2009 and up 9% from year-ago levels. At March 31, 2010, Citi's structural liquidity (equity, long-term debt and deposits) as a percentage of assets was 71% at March 31, 2010 compared with 73% at December 31, 2009 and 68% at March 31, 2009.

Citigroup's *total assets* of $2.0 trillion increased $146 billion from December 31, 2009, primarily from the adoption of SFAS 166/167, as discussed above.

Citigroup's *total stockholders' equity* decreased by $1.3 billion during the first quarter of 2010 to $151.4 billion, primarily reflecting the adoption of SFAS 166/167, partially offset by the net income during the quarter, $1.9 billion related to the ADIA share issuance and $1.1 billion improvement in *Accumulated Other Comprehensive Income.* Citigroup's total equity capital base and trust preferred securities were $173.1 billion at March 31, 2010.

Business Outlook

Citi's near-term performance will continue to be impacted by the pace of economic recovery generally, the level of activity in the capital markets and credit costs. Although Citi continued to see signs of economic improvement internationally during the first quarter of 2010, significant uncertainty remains in the U.S., particularly with regard to employment levels and the risk of future legislative actions that could adversely affect various Citi businesses, including possibly requiring the elimination or transformation of certain of its business activities.

With respect to revenues, while Citi believes *Securities and Banking* first quarter 2010 results were generally representative of Citi's core business, the first quarter is historically the strongest period of the year, particularly in fixed income. In addition, while pricing actions were able to offset the impact of The Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act) in the first quarter of 2010, the CARD Act will likely have an increasingly negative impact on U.S. credit card revenues during 2010. Net revenue marks in the *Special Asset Pool* will continue to be episodic.

With respect to expenses, while Citi intends to maintain continued expense discipline, operating expenses may increase in Citicorp going forward as a portion of the cost reductions achieved in Citi Holdings is re-invested in the core franchise. In addition, Citi will absorb the cost of the U.K. bonus tax in the second quarter of 2010, currently estimated to be approximately $400 million pretax.

Credit costs will continue to be a significant driver of Citi's near term results. Internationally, consumer credit trends are expected to stabilize and in some cases show gradual improvement as long as economic recovery in these regions is sustained. In North America, Citi currently believes consumer credit trends may continue to stabilize based on the stable to improving delinquencies observed in the company's major portfolios, as well as early signs of economic recovery, although sustained credit improvement will depend on the broader macroeconomic environment. Consumer loan loss reserve balances will continue to reflect the losses embedded in the company's portfolios due to factors including underlying credit trends as well as the impact of modification programs.

Table of Contents

CITIGROUP INC. AND SUBSIDIARIES

SUMMARY OF SELECTED FINANCIAL DATA Page 1

In millions of dollars, except per share amounts	First Quarter 2010	2009	% Change
Total managed revenues(1)	**$ 25,421**	$ 26,973	(6)%
Total managed net credit losses(1)	**8,384**	9,830	(15)
Net interest revenue	**$ 14,561**	$ 12,926	13%
Non-interest revenue	**10,860**	11,595	(6)
Revenues, net of interest expense	**$ 25,421**	$ 24,521	4%
Operating expenses	**11,518**	11,685	(1)
Provisions for credit losses and for benefits and claims	**8,618**	10,307	(16)
Income from continuing operations before income taxes	**$ 5,285**	$ 2,529	NM
Income taxes (losses)	**1,036**	835	24%
Income from continuing operations	**$ 4,249**	$ 1,694	NM
Income from discontinued operations, net of taxes	**211**	(117)	NM
Net Income (losses) before attribution of noncontrolling interests	**$ 4,460**	$ 1,577	NM
Net Income (losses) attributable to noncontrolling interests	**32**	(16)	NM
Citigroup's net income	**$ 4,428**	$ 1,593	NM
Less:			
Preferred dividends Basic	**$**	$ 1,221	(100)
Impact of the conversion price reset related to the $12.5 billion convertible preferred stock private issuance Basic(2)		1,285	(100)
Preferred stock Series H discount accretion Basic		53	(100)
Income (loss) available to common stockholders	**$ 4,428**	$ (966)	NM
Earnings allocated to participating securities, net of forfeitures	**28**		100%
Undistributed earnings (loss) for basic EPS	**$ 4,400**	$ (966)	NM
Convertible Preferred Stock Dividends		270	(100)%
Undistributed earnings (loss) for diluted EPS	**$ 4,400**	$ (696)	NM
Earnings per share			
Basic(3)			
Income (loss) from continuing operations	**$ 0.15**	$ (0.16)	NM
Net income (loss)	**0.15**	(0.18)	NM
Diluted(3)			
Income (loss) from continuing operations	**$ 0.14**	$ (0.16)	NM
Net income (loss)	**0.15**	(0.18)	NM

[Continued on the following page, including notes to table.]

Table of Contents

SUMMARY OF SELECTED FINANCIAL DATA Page 2

In millions of dollars,	First Quarter 2010	2009	% Change
At March 31:			
Total assets	**$ 2,002,213**	$ 1,822,578	10%
Total deposits	**827,914**	762,696	9
Long-term debt	**439,274**	337,252	30
Mandatorily redeemable securities of subsidiary Trusts (included in Long-term debt)	**21,682**	24,694	(12)
Common stockholders' equity	**151,109**	69,688	NM
Total stockholders' equity	**151,421**	143,934	5
Direct staff *(in thousands)*	**263**	309	(15)
Ratios:			
Return on common stockholders' equity(4)	**12.0%**	(5.6)%	
Tier 1 Common(5)	**9.11%**	2.16%	
Tier 1 Capital	**11.28%**	11.92%	
Total Capital	**14.88%**	15.61%	
Leverage(6)	**6.16%**	6.60%	
Common stockholders' equity to assets	**7.5%**	3.8%	
Ratio of earnings to fixed charges and preferred stock dividends	**1.82**	1.06	

(1) See discussion of adoption of SFAS 166/167 on page 3 and Note 1 to the Consolidated Financial Statements.

(2) For the three months ended March 31, 2009, Income available to common stockholders includes a reduction of $1.285 billion related to a conversion price reset pursuant to Citigroup's prior agreement with the purchasers of $12.5 billion convertible preferred stock issued in a private offering in January 2008. The conversion price was reset from $31.62 per share to $26.35 per share. There was no impact to net income, total stockholders' equity or capital ratios due to the reset. However, the reset resulted in a reclassification from Retained earnings to Additional paid-in capital of $1.285 billion and a reduction in Income available to common stockholders of $1.285 billion.

(3) The Diluted EPS calculation for the first quarter of 2009 utilizes Basic shares and Income available to common stockholders (Basic) due to the negative Income available to common stockholders. Using Diluted shares and Income available to common stockholders (Diluted) would result in anti-dilution.

(4) The return on average common stockholders' equity is calculated using income (loss) available to common stockholders.

(5) As defined by the banking regulators, the Tier 1 Common ratio represents Tier 1 Capital less qualifying perpetual preferred stock, qualifying noncontrolling interests in subsidiaries and qualifying mandatorily redeemable securities of subsidiary trusts divided by risk-weighted assets. Tier 1 Common ratio is a non-GAAP financial measure. See "Capital Resources and Liquidity" below for additional information on this measure.

(6) The Leverage ratio represents Tier 1 Capital divided by each period's quarterly adjusted average total assets.

NM Not meaningful

8

Table of Contents

SEGMENT, BUSINESS AND PRODUCT INCOME (LOSS) AND REVENUES

The following tables show the income (loss) and revenues for Citigroup on a segment, business and product view:

Citigroup Income (Loss)

	First Quarter		%
In millions of dollars	**2010**	**2009**	**Change**
Income (loss) from Continuing Operations			
CITICORP			
Regional Consumer Banking			
North America	**$ 22**	$ 357	(94)%
EMEA	**27**	(33)	NM
Latin America	**389**	219	78
Asia	**576**	248	NM
Total	**$ 1,014**	$ 791	28%
Securities and Banking			
North America	**$ 1,424**	$ 2,497	(43)%
EMEA	**1,032**	2,171	(52)
Latin America	**272**	412	(34)
Asia	**478**	1,056	(55)
Total	**$ 3,206**	$ 6,136	(48)%
Transaction Services			
North America	**$ 159**	$ 138	15%
EMEA	**306**	326	(6)
Latin America	**157**	160	(2)
Asia	**319**	280	14
Total	**$ 941**	$ 904	4%
Institutional Clients Group	**$ 4,147**	$ 7,040	(41)%
Total Citicorp	**$ 5,161**	$ 7,831	(34)%
CITI HOLDINGS			
Brokerage and Asset Management	**$ 81**	$ 34	NM
Local Consumer Lending	**(1,838)**	(1,571)	(17)%
Special Asset Pool	**881**	(3,948)	NM
Total Citi Holdings	**$ (876)**	$ (5,485)	84%
Corporate/Other	**$ (36)**	$ (652)	94%
Income from continuing operations	**$ 4,249**	$ 1,694	NM
Discontinued operations	**$ 211**	$ (117)	
Net income (loss) attributable to noncontrolling interests	**32**	(16)	

Citigroup's net income	**$ 4,428**	$ 1,593	NM

NM Not meaningful

Table of Contents

Citigroup Revenues

In millions of dollars	First Quarter 2010	First Quarter 2009	% Change
CITICORP			
Regional Consumer Banking			
North America	**$ 3,801**	$ 2,503	52%
EMEA	**405**	360	13
Latin America	**2,076**	1,924	8
Asia	**1,800**	1,566	15
Total	**$ 8,082**	$ 6,353	27%
Securities and Banking			
North America	**$ 3,553**	$ 5,016	(29)%
EMEA	**2,515**	4,222	(40)
Latin America	**607**	800	(24)
Asia	**1,328**	2,162	(39)
Total	**$ 8,003**	$ 12,200	(34)%
Transaction Services			
North America	**$ 639**	$ 589	8%
EMEA	**833**	844	(1)
Latin America	**344**	343	
Asia	**621**	598	4
Total	**$ 2,437**	$ 2,374	3%
Institutional Clients Group	**$ 10,440**	$ 14,574	(28)%
Total Citicorp	**$ 18,522**	$ 20,927	(11)%
CITI HOLDINGS			
Brokerage and Asset Management	**$ 340**	$ 1,607	(79)%
Local Consumer Lending	**4,670**	6,021	(22)
Special Asset Pool	**1,540**	(4,534)	NM
Total Citi Holdings	**$ 6,550**	$ 3,094	NM
Corporate/Other	**$ 349**	$ 500	(30)%
Total net revenues	**$ 25,421**	$ 24,521	4%
Impact of Credit Card Securitization Activity(1)			
Citicorp		$ 1,484	(100)%
Citi Holdings		968	(100)
Total impact of credit card securitization activity		$ 2,452	(100)%
Total Citigoup managed net revenues(1)	**$ 25,421**	$ 26,973	(6)%

(1) See discussion of adoption of SFAS 166/167 on page 3 and Note 1 to the Consolidated Financial Statements.

NM Not meaningful

Table of Contents

CITICORP

Citicorp is the company's global bank for consumers and businesses and represents Citi's core franchise. Citicorp is focused on providing best-in-class products and services to customers and leveraging Citigroup's unparalleled global network. Citicorp is physically present in approximately 100 countries, many for over 100 years, and offers services in over 140 countries. Citi believes this global network provides a strong foundation for servicing the broad financial services needs of large multinational clients and for meeting the needs of retail, private banking and commercial customers around the world. Citigroup's global footprint provides coverage of the world's emerging economies, which the company believes represents a strong area of growth. At March 31, 2010, Citicorp had approximately $1.2 trillion of assets and $730 billion of deposits, representing approximately 62% of Citi's total assets and approximately 88% of its deposits.

Citicorp consists of the following businesses: *Regional Consumer Banking* (which includes retail banking and Citi-branded cards in four regions *North America, EMEA, Latin America* and *Asia*) and *Institutional Clients Group* (which includes *Securities and Banking* and *Transaction Services*).

In millions of dollars	First Quarter 2010	First Quarter 2009	% Change
Net interest revenue	**$ 9,870**	$ 8,511	16%
Non-interest revenue	**8,652**	12,416	(30)
Total revenues, net of interest expense	**$ 18,522**	$ 20,927	(11)%
Provisions for credit losses and for benefits and claims			
Net credit losses	**$ 3,142**	$ 1,251	NM
Credit reserve build/(release)	**(360)**	998	NM
Provision for loan losses	**$ 2,782**	$ 2,249	24%
Provision for benefits and claims	**44**	42	5
Provision for unfunded lending commitments	**(7)**	32	NM
Total provisions for credit losses and for benefits and claims	**$ 2,819**	$ 2,323	21%
Total operating expenses	**$ 8,485**	$ 7,399	15%
Income from continuing operations before taxes	**$ 7,218**	$ 11,205	(36)%
Provisions for income taxes	**2,057**	3,374	(39)
Income from continuing operations	**$ 5,161**	$ 7,831	(34)%
Net income (loss) attributable to noncontrolling interests	**21**	(3)	NM
Citicorp's net income	**$ 5,140**	$ 7,834	(34)%
Balance sheet data *(in billions of dollars)*			
Total EOP assets	**$ 1,236**	$ 1,022	21%
Average assets	**1,240**	1,103	12
Total EOP deposits	**730**	664	10
Total GAAP revenues	**$ 18,522**	$ 20,927	(11)%
Net impact of credit card securitization activity(1)		1,484	(100)
Total managed revenues	**$ 18,522**	$ 22,411	(17)%
GAAP net credit losses	**$ 3,142**	$ 1,251	NM
Impact of credit card securitization activity(1)		1,491	(100)%

Total managed net credit losses	**$ 3,142**	$ 2,742	15%

(1) See discussion of adoption of SFAS 166/167 on page 3 and Note 1 to the Consolidated Financial Statements.

NM Not meaningful

Table of Contents

REGIONAL CONSUMER BANKING

Regional Consumer Banking (RCB) consists of Citigroup's four regional consumer banking businesses that provide traditional banking services to retail customers. *RCB* also contains Citigroup's branded cards business and Citi's local commercial banking business. *RCB* is a globally diversified business with over 4,200 branches in 39 countries around the world. During the first quarter of 2010, 53% of total *RCB* revenues were from outside *North America*. Additionally, the majority of international revenues and loans were from emerging economies in *Asia, Latin America*, and Central and Eastern Europe. At March 31, 2010, *RCB* had $313 billion of assets and $295 billion of deposits.

In millions of dollars	First Quarter 2010	First Quarter 2009	% Change
Net interest revenue	**$ 5,917**	$ 3,842	54%
Non-interest revenue	**2,165**	2,511	(14)
Total revenues, net of interest expense	**$ 8,082**	$ 6,353	27%
Total operating expenses	**$ 3,937**	$ 3,504	12%
Net credit losses	**$ 3,040**	$ 1,174	NM
Credit reserve build/(release)	**(180)**	686	NM
Provisions for benefits and claims	**44**	42	5%
Provisions for loan losses and for benefits and claims	**$ 2,904**	$ 1,902	53%
Income from continuing operations before taxes	**$ 1,241**	$ 947	31%
Income taxes	**227**	156	46
Income from continuing operations	**$ 1,014**	$ 791	28%
Net (loss) attributable to noncontrolling interests	**(5)**		
Net income	**$ 1,019**	$ 791	29%
Average assets *(in billions of dollars)*	**$ 308**	$ 229	34%
Return on assets	**1.34%**	1.40%	
Average deposits *(in billions of dollars)*	**289**	256	13
Managed net credit losses as a percentage of average managed loans	**5.57%**	5.06%	
Revenue by business			
Retail banking	**$ 3,814**	$ 3,537	8%
Citi-branded cards	**4,268**	2,816	52
Total GAAP revenues	**$ 8,082**	$ 6,353	27
Net impact of credit card securitization activity(1)		1,484	(100)
Total managed revenues	**$ 8,082**	$ 7,837	3%
Net credit losses by business			
Retail banking	**$ 289**	$ 338	(14)%
Citi-branded cards	**2,751**	836	NM
Total GAAP net credit losses	**$ 3,040**	$ 1,174	NM
Net impact of credit card securitization activity(1)		1,491	(100)

Total managed net credit losses	**$ 3,040**	$ 2,665	14%
Income (loss) from continuing operations by business			
Retail banking	**$ 848**	$ 650	30%
Citi-branded cards	**166**	141	18
Total	**$ 1,014**	$ 791	28%

(1) See discussion of adoption of SFAS 166/167 on page 3 and Note 1 to the Consolidated Financial Statements.

NM Not meaningful

Table of Contents

NORTH AMERICA REGIONAL CONSUMER BANKING

North America Regional Consumer Banking (NA RCB) provides traditional banking and Citi-branded card services to retail customers and small to mid-size businesses in the U.S. *NA RCB*'s approximately 1,000 retail bank branches and 13.5 million retail customer accounts are largely concentrated in the greater metropolitan areas of New York, Los Angeles, San Francisco, Chicago, Miami, Washington, D.C., Boston, Philadelphia, and certain larger cities in Texas. At March 31, 2010, *NA RCB* had approximately $31.5 billion of retail banking and residential real estate loans and $146.3 billion of deposits. In addition, *NA RCB* had approximately 21.8 million Citi-branded credit card accounts, with $77.7 billion in outstanding loan balances.

In millions of dollars	First Quarter 2010	First Quarter 2009	% Change
Net interest revenue	**$ 2,954**	$ 1,192	NM
Non-interest revenue	**847**	1,311	(35)%
Total revenues, net of interest expense	**$ 3,801**	$ 2,503	52%
Total operating expenses	**$ 1,611**	$ 1,494	8%
Net credit losses	**$ 2,157**	$ 257	NM
Credit reserve build	**4**	253	(98)%
Provisions for benefits and claims	**8**	13	(38)
Provisions for loan losses and for benefits and claims	**$ 2,169**	$ 523	NM
Income from continuing operations before taxes	**$ 21**	$ 486	(96)%
Income taxes (benefits)	**(1)**	129	(101)
Income from continuing operations	**$ 22**	$ 357	(94)%
Net income attributable to noncontrolling interests			
Net income	**$ 22**	$ 357	(94)%
Average assets *(in billions of dollars)*	**$ 121**	$ 72	68%
Average deposits *(in billions of dollars)*	**144.2**	130.9	10
Managed net credit losses as a percentage of average managed loans(1)	**7.85%**	6.04%	
Revenue by business			
Retail banking	**$ 1,280**	$ 1,296	(1)%
Citi-branded cards	**2,521**	1,207	NM
Total GAAP revenues	**$ 3,801**	$ 2,503	52
Net impact of credit card securitization activity(2)		1,484	(100)
Total managed revenues	**$ 3,801**	$ 3,987	(5)%
Net credit losses by business			
Retail banking	**$ 73**	$ 56	30%
Citi-branded cards	**2,084**	201	NM
Total GAAP net credit losses	**$ 2,157**	$ 257	NM
Net impact of credit card securitization activity(2)		1,491	(100)

Total managed net credit losses	**$**	**2,157**	$ 1,748	23%
Income (loss) from continuing operations by business				
Retail banking	**$**	**184**	$ 241	(24)%
Citi-branded cards		**(162)**	116	NM
Total	**$**	**22**	$ 357	(94)%

(1) See "Managed Presentations" below.

(2) See discussion of adoption of SFAS 166/167 on page 3 and Note 1 to the Consolidated Financial Statements.

NM Not meaningful

1Q10 vs. 1Q09

Revenues, net of interest expense, increased 52%, primarily due to the consolidation of securitized credit card receivables pursuant to the adoption of FAS 166/167 effective January 1, 2010. On a managed basis*, revenues, net of interest expense*, decreased 5%, primarily reflecting lower volumes in cards and mortgages, which were partially offset by pricing actions in the branded cards portfolio in the latter part of 2009 and first quarter of 2010, in anticipation of the CARD Act, and higher deposit volumes in retail banking. See "Executive Summary Business Outlook" for additional information.

On a managed basis, *net interest revenue* was down 1% driven by the impact of lower volumes in cards, where average loans were down 5% from the prior-year period, and in mortgages, with average loans down 10%. This decline was also partially offset by the pricing actions in the branded cards portfolio and higher deposit volumes in retail banking, with average deposits up 10% from the prior-year period.

On a managed basis, *non-interest revenue* declined 15%, driven by lower gains from mortgage loan sales and lower fees in cards mainly due to a 15% decline in open accounts from the prior-year period.

Table of Contents

Operating expenses increased 8% from the prior-year period. Excluding the impact of a litigation reserve in the first quarter of 2010, expenses were down 1% reflecting the benefits from re-engineering efforts and lower marketing costs.

Provisions for loan losses and for benefits and claims increased $1.6 billion primarily due to the consolidation of securitized credit card receivables pursuant to the adoption of SFAS 166/167. On a comparable basis*, provisions for loan losses and for benefits and claims* increased 8% primarily due to rising net credit losses in the branded cards portfolio. Trends in the macroeconomic environment, including high unemployment and increased bankruptcy filings, drove higher credit costs. The branded cards managed net credit loss ratio increased 240 basis points to 10.67%, while the retail banking net credit loss ratio increased 28 basis points to 0.94%. The increase in net credit losses was partially offset by a lower loan loss reserve build, down $249 million from the prior-year period.

Managed Presentations

	First Quarter	
	2010	**2009**
Managed credit losses as a percentage of average managed loans	**7.85%**	6.04%
Impact from credit card securitizations(1)		3.91%
Net credit losses as a percentage of average loans	**7.85%**	2.13%

(1) See discussion of adoption of SFAS 166/167 on page 3 and Note 1 to the Consolidated Financial Statements.

Table of Contents

EMEA REGIONAL CONSUMER BANKING

EMEA Regional Consumer Banking (EMEA RCB) provides traditional banking and Citi-branded card services to retail customers and small to mid-size businesses, primarily in Central and Eastern Europe, the Middle East and Africa. Western Europe retail banking is included in Citi Holdings. *EMEA RCB* has repositioned its business, shifting from a strategy of widespread distribution to a focused strategy concentrating on larger urban markets within the region. An exception is Bank Handlowy, which has a mass market presence in Poland. The countries in which *EMEA RCB* has the largest presence are Poland, Turkey, Russia and the United Arab Emirates. At March 31, 2010, *EMEA RCB* had approximately 310 retail bank branches with approximately 3.7 million customer accounts, $4.9 billion in retail banking loans and $9.5 billion in deposits. In addition, the business had approximately 2.6 million Citi-branded card accounts with $2.9 billion in outstanding loan balances.

In millions of dollars	First Quarter 2010	First Quarter 2009	% Change
Net interest revenue	**$ 248**	$ 224	11%
Non-interest revenue	**157**	136	15
Total revenues, net of interest expense	**$ 405**	$ 360	13%
Total operating expenses	**$ 277**	$ 256	8%
Net credit losses	**$ 97**	89	9%
Credit reserve build/(release)	**(10)**	72	NM
Provisions for benefits and claims			
Provisions for loan losses and for benefits and claims	**$ 87**	$ 161	(46)%
Income (loss) from continuing operations before taxes	**$ 41**	$ (57)	NM
Income taxes (benefits)	**14**	(24)	NM
Income (loss) from continuing operations	**$ 27**	$ (33)	NM
Net income attributable to noncontrolling interests			NM
Net income (loss)	**$ 27**	$ (33)	
Average assets *(in billions of dollars)*	**$ 10**	$ 11	(9)%
Return on assets	**1.10%**	(1.22)%	
Average deposits *(in billions of dollars)*	**9.7**	8.3	17
Net credit losses as a percentage of average loans	**4.98%**	4.57%	
Revenue by business			
Retail banking	**$ 222**	$ 205	8%
Citi-branded cards	**183**	155	18
Total	**$ 405**	$ 360	13%
Income (loss) from continuing operations by business			
Retail banking	**$ (6)**	$ (41)	85%
Citi-branded cards	**33**	8	NM
Total	**$ 27**	$ (33)	NM

NM Not meaningful

1Q10 vs. 1Q09

Revenues, net of interest expense, increased 13%. The increase in revenue is primarily attributable to the impact of foreign exchange translation (generally referred to throughout this report as "FX translation") and higher revenues in cards, partially offset by lower wealth management revenues due to spread compression and lower lending revenues as a result of lower volumes due to tighter origination criteria. Investment sales were up 75% and assets under management increased by 26%.

Net interest revenue increased 11% mainly due to higher cards revenues, particularly in Russia and Poland, and the impact of FX translation. Average cards loans grew 16%.

Non-interest revenue increased 15%, primarily driven by higher results from an equity investment in Turkey.

Operating expenses increased 8% mainly due to the impact of FX translation, partially offset by cost savings from branch closures, headcount reductions and re-engineering benefits.

Provisions for loan losses and for benefits and claims decreased by $74 million, to $87 million for the current period. Net credit losses for the period increased by $8 million, primarily driven by higher losses in Poland. Release in loan loss reserves in the current period was driven by improvement in the credit environment in most countries coupled with a decline in receivables. The cards net credit loss ratio increased from 4.68% in the prior year quarter to 6.97% in the current quarter. The retail banking net credit loss ratio decreased from 4.50% in the prior year quarter to 3.88% in the current quarter.

Table of Contents

LATIN AMERICA REGIONAL CONSUMER BANKING

Latin America Regional Consumer Banking (LATAM RCB) provides traditional banking and Citi-branded card services to retail customers and small to mid-size businesses, with the largest presence in Mexico and Brazil. *LATAM RCB* includes branch networks throughout *Latin America* as well as Banamex, Mexico's second largest bank with over 1,700 branches. At March 31, 2010, *LATAM RCB* had approximately 2,203 retail branches, with 25.9 million customer accounts, $19.4 billion in retail banking loan balances and $40.6 billion in deposits. In addition, the business had approximately 12.1 million Citi-branded card accounts with $12.1 billion in outstanding loan balances.

In millions of dollars	First Quarter 2010	First Quarter 2009	% Change
Net interest revenue	**$ 1,458**	$ 1,275	14%
Non-interest revenue	**618**	649	(5)
Total revenues, net of interest expense	**$ 2,076**	$ 1,924	8%
Total operating expenses	**$ 1,142**	$ 958	19%
Net credit losses	**$ 509**	$ 541	(6)%
Credit reserve build/(release)	**(136)**	166	NM
Provision for benefits and claims	**36**	29	24
Provisions for loan losses and for benefits and claims	**$ 409**	$ 736	(44)%
Income from continuing operations before taxes	**$ 525**	$ 230	NM
Income taxes	**136**	11	NM
Income from continuing operations	**$ 389**	$ 219	78%
Net (loss) attributable to noncontrolling interests	**(5)**		
Net income	**$ 394**	$ 219	80%
Average assets *(in billions of dollars)*	**$ 72**	$ 60	20%
Return on assets	**2.22%**	1.48%	
Average deposits *(in billions of dollars)*	**39.6**	34.1	16
Net credit losses as a percentage of average loans	**6.75%**	8.22%	
Revenue by business			
Retail banking	**$ 1,196**	$ 1,026	17%
Citi-branded cards	**880**	898	(2)
Total	**$ 2,076**	$ 1,924	8%
Income (loss) from continuing operations by business			
Retail banking	**$ 256**	$ 230	11%
Citi-branded cards	**133**	(11)	NM
Total	**$ 389**	$ 219	78%

NM Not meaningful

1Q10 vs. 1Q09

Revenues, net of interest expense, increased 8%, mainly due to the impact of FX translation and higher lending and deposit volumes in retail banking, partially offset by spread compression in the cards portfolio.

Net interest revenue increased 14%, mainly driven by the impact of FX translation and higher lending and deposit volumes in retail banking. Average retail banking loans and deposits increased 21% and 16%, respectively. The increase in retail banking was partially offset by spread compression in the cards portfolio as a result from a lower risk profile.

Non-interest revenue decreased 5%, primarily due to lower fees in the cards business. These declines were partially offset by higher investment sale revenues. Investment sales increased 24% compared to the prior-year period.

Operating expenses increased 19% mainly due to the impact of FX translation. Excluding the impact of FX translation, the increase in operating expenses was driven by the absence of an equity compensation accrual reversal in the prior-year period and the cost of 138 additional branch openings.

Provisions for loan losses and for benefits and claims decreased 44%, mainly driven by a loan loss reserve release in the current period reflecting improved credit conditions, especially in Mexico cards. The cards net credit loss ratio declined across the region during the period, from 15.3% to 14.0%, reflecting continued economic recovery in the region. The retail banking net credit loss ratio dropped significantly from 2.96% to 1.96%.

Table of Contents

ASIA REGIONAL CONSUMER BANKING

Asia Regional Consumer Banking (Asia RCB) provides traditional banking and Citi-branded card services to retail customers and small to mid-size businesses, with the largest Citi presence in South Korea, Australia, Singapore, India, Taiwan, Malaysia, Japan and Hong Kong. At March 31, 2010, *Asia RCB* had approximately 704 retail branches, $98.4 billion in customer deposits, 16.1 million customer accounts and $54.8 billion in retail banking loans. In addition, the business had approximately 14.8 million Citi-branded card accounts with $17.5 billion in outstanding loan balances.

In millions of dollars	First Quarter 2010	First Quarter 2009	% Change
Net interest revenue	**$ 1,257**	$ 1,151	9%
Non-interest revenue	**543**	415	31
Total revenues, net of interest expense	**$ 1,800**	$ 1,566	15%
Total operating expenses	**$ 907**	$ 796	14%
Net credit losses	**$ 277**	$ 287	(3)%
Credit reserve build/(release)	**(38)**	195	NM
Provisions for loan losses and for benefits and claims	**$ 239**	$ 482	(50)%
Income from continuing operations before taxes	**$ 654**	$ 288	NM
Income taxes	**78**	40	95%
Income from continuing operations	**$ 576**	$ 248	NM
Net income attributable to noncontrolling interests			
Net income	**$ 576**	$ 248	NM
Average assets *(in billions of dollars)*	**$ 105**	$ 86	22%
Return on assets	**2.22%**	1.17%	
Average deposits *(in billions of dollars)*	**95.7**	83.1	15
Net credit losses as a percentage of average loans	**1.57%**	1.89%	
Revenue by business			
Retail banking	**$ 1,116**	$ 1,010	10%
Citi-branded cards	**684**	556	23
Total	**$ 1,800**	$ 1,566	15%
Income from continuing operations by business			
Retail banking	**$ 414**	$ 220	88%
Citi-branded cards	**162**	28	NM
Total	**$ 576**	$ 248	NM

NM Not meaningful

1Q10 vs. 1Q09

Revenues, net of interest expense increased 15% reflecting the impact of FX translation as well as higher cards purchase sales, investment sales and loan and deposit volumes, partially offset by spread compression in deposits.

Net interest revenue was 9% higher than the prior-year period, mainly due to the impact of FX translation, and higher lending and deposit volumes. Excluding the impact of FX translation, net interest revenue was essentially flat. Average loans and deposits were up 16% and 15%, respectively, driven mostly by the impact of FX translation. While lending spreads remained relatively constant, lower deposit spreads reflected the continued low interest rate environment across the region.

Non-interest revenue increased 31%, primarily due to higher investment revenues, higher cards purchase sales, and the impact of FX translation.

Operating expenses increased 14%, primarily due to the impact of FX translation. Excluding the impact of FX translation, the increase was 4%, driven primarily by an increase in volumes and continued investment.

Provisions for loan losses and for benefits and claims decreased 50%, mainly due to the impact of a $38 million loan loss reserve release in the first quarter of 2010, compared to a $195 million loan loss reserve build in the prior-year quarter, and lower net credit losses. These declines were partially offset by the impact of FX translation. Delinquencies and net credit losses improved as Asia showed continuing signs of economic recovery and increased levels of customer activity. The cards net credit loss ratio decreased from 4.60% in the prior year period to 4.50% in the current quarter. The retail banking net credit loss ratio decreased from 0.98% in the prior year quarter to 0.60% in the current quarter.

Table of Contents

INSTITUTIONAL CLIENTS GROUP

Institutional Clients Group (ICG) includes *Securities and Banking* and *Transaction Services*. *ICG* provides corporate, institutional and high net worth clients with a full range of products and services, including cash management, trading, underwriting, lending and advisory services, around the world. *ICG*'s international presence is supported by trading floors in approximately 75 countries and a proprietary network within *Transaction Services* in approximately 95 countries. At March 31, 2010, *ICG* had approximately $923 billion of assets and $435 billion of deposits.

In millions of dollars	First Quarter 2010	First Quarter 2009	% Change
Commissions and fees	**$ 554**	$ 440	26%
Administration and other fiduciary fees	**1,275**	1,227	4
Investment banking	**953**	941	1
Principal transactions	**3,344**	6,950	(52)
Other	**361**	347	4
Total non-interest revenue	**$ 6,487**	$ 9,905	(35)%
Net interest revenue (including dividends)	**3,953**	4,669	(15)
Total revenues, net of interest expense	**$ 10,440**	$ 14,574	(28)%
Total operating expenses	**4,548**	3,895	17
Net credit losses	**102**	77	32
Provision for unfunded lending commitments	**(7)**	32	NM
Credit reserve build/(release)	**(180)**	312	NM
Provisions for benefits and claims			
Provisions for loan losses and benefits and claims	**$ (85)**	$ 421	NM
Income from continuing operations before taxes	**$ 5,977**	$ 10,258	(42)%
Income taxes	**1,830**	3,218	(43)
Income from continuing operations	**$ 4,147**	$ 7,040	(41)%
Net income (loss) attributable to noncontrolling interests	**26**	(3)	NM
Net income	**$ 4,121**	$ 7,043	(41)%
Average assets *(in billions of dollars)*	**$ 932**	$ 874	7%
Return on assets	**1.79%**	3.27%	
Revenues by region			
North America	**$ 4,192**	$ 5,605	(25)%
EMEA	**3,348**	5,066	(34)
Latin America	**951**	1,143	(17)
Asia	**1,949**	2,760	(29)
Total	**$ 10,440**	$ 14,574	(28)%
Income from continuing operations by region			
North America	**$ 1,583**	$ 2,635	(40)%
EMEA	**1,338**	2,497	(46)
Latin America	**429**	572	(25)
Asia	**797**	1,336	(40)

Total	**$ 4,147**	$ 7,040	(41)%
Average loans by region *(in billions of dollars)*			
North America	**$ 64**	$ 57	12%
EMEA	**36**	48	(25)
Latin America	**22**	21	5
Asia	**31**	30	3
Total	**$ 153**	$ 156	(2)%

NM Not meaningful

Table of Contents

SECURITIES AND BANKING

Securities and Banking (S&B) offers a wide array of investment and commercial banking services and products for corporations, governments, institutional and retail investors, and ultra-high net worth individuals. *S&B* includes investment banking and advisory services, lending, debt and equity sales and trading, institutional brokerage, foreign exchange, structured products, cash instruments and related derivatives, and private banking. *S&B* revenue is generated primarily from fees for investment banking and advisory services, fees and interest on loans, fees and spread on foreign exchange, structured products, cash instruments and related derivatives, income earned on principal transactions, and fees and spreads on private banking services.

	First Quarter		%
In millions of dollars	**2010**	**2009**	**Change**
Net interest revenue	**$ 2,565**	$ 3,263	(21)%
Non-interest revenue	**5,438**	8,937	(39)
Revenues, net of interest expense	**$ 8,003**	$ 12,200	(34)%
Total operating expenses	**3,397**	2,821	20
Net credit losses	**101**	74	36
Provisions for unfunded lending commitments	**(7)**	32	NM
Credit reserve build/(release)	**(162)**	314	NM
Provisions for benefits and claims			
Provisions for loan losses and benefits and claims	**$ (68)**	$ 420	NM
Income before taxes and noncontrolling interests	**$ 4,674**	$ 8,959	(48)%
Income taxes	**1,468**	2,823	(48)
Income from continuing operations	**3,206**	6,136	(48)
Net income attributable to noncontrolling interests	**21**	1	NM
Net income	**$ 3,185**	$ 6,135	(48)%
Average assets *(in billions of dollars)*	**$ 868**	$ 816	6%
Return on assets	**1.49%**	3.05%	
Revenues by region			
North America	**$ 3,553**	$ 5,016	(29)%
EMEA	**2,515**	4,222	(40)
Latin America	**607**	800	(24)
Asia	**1,328**	2,162	(39)
Total revenues	**$ 8,003**	$ 12,200	(34)%
Net income from continuing operations by region			
North America	**$ 1,424**	$ 2,497	(43)%
EMEA	**1,032**	2,171	(52)
Latin America	**272**	412	(34)
Asia	**478**	1,056	(55)
Total net income from continuing operations	**$ 3,206**	$ 6,136	(48)%
Securities and Banking revenue details			
Total investment banking	**$ 1,057**	$ 983	8%
Lending	**243**	(363)	NM
Equity markets	**1,213**	1,605	(24)
Fixed income markets	**5,380**	10,023	(46)

Private bank		**494**	504	(2)
Other Securities and Banking		**(384)**	(552)	30
Total Securities and Banking revenues	**$**	**8,003**	$ 12,200	(34)%

NM Not meaningful

Table of Contents

1Q10 vs. 1Q09

Revenues, net of interest expense, in the first quarter of 2010, were $8.0 billion, compared to $12.2 billion in the first quarter of 2009, which was a particularly strong quarter driven by strong fixed income markets revenues, as well as $2.7 billion of positive CVA (versus $0.3 billion of positive CVA in the first quarter of 2010). Fixed income markets revenues excluding CVA declined $2.4 billion to $5.1 billion, driven by the high volatility and historically wide spreads exhibited in the first quarter of 2009. Equity markets revenues declined $0.4 billion to $1.2 billion, due to a challenging market environment as volatility trended downward. The $2.4 billion CVA decrease primarily reflected less significant movements in Citigroup spreads in the first quarter of 2010 compared to the prior year period. Investment banking revenues increased $74 million to $1.1 billion, led by stronger market volumes in equity underwriting and increased revenues in debt underwriting due to outperformance in leveraged finance and a strong high-yield bond market in the first quarter of 2010. This was partially offset by a decline in advisory revenues in the first quarter of 2010 resulting from a reduction in completed M&A transaction volume. Lending revenues increased from $(363) million to positive $243 million, driven by a reduction in losses on credit default swap hedges and an improvement in net interest margin.

Operating expenses increased 20%, or $0.6 billion to $3.4 billion, mainly driven by higher compensation costs.

Provisions for loan losses and for benefits and claims decreased by $0.5 billion to negative $68 million, primarily attributable to a $162 million net loan loss reserve release in the current quarter (versus a $314 million net loan loss reserve build in the prior year period) as the environment showed signs of stabilization, partially offset by higher net credit losses.

Table of Contents

TRANSACTION SERVICES

Transaction Services is composed of Treasury and Trade Solutions (TTS) and Securities and Fund Services (SFS). TTS provides comprehensive cash management and trade finance for corporations, financial institutions and public sector entities worldwide. SFS provides custody and funds services to investors such as insurance companies and mutual funds, clearing services to intermediaries such as broker-dealers, and depository and agency/trust services to multinational corporations and governments globally. Revenue is generated from net interest revenue on deposits in TTS and SFS, as well as from trade loans and from fees for transaction processing and fees on assets under custody in SFS.

In millions of dollars	First Quarter 2010	First Quarter 2009	% Change
Net interest revenue	**$ 1,388**	$ 1,406	(1)%
Non-interest revenue	**1,049**	968	8
Total revenues, net of interest expense	**$ 2,437**	$ 2,374	3%
Total operating expenses	**1,151**	1,074	7
Provisions for loan losses and for benefits and claims	**(17)**	1	NM
Income before taxes and noncontrolling interests	**$ 1,303**	$ 1,299	
Income taxes	**362**	395	(8)%
Income from continuing operations	**941**	904	4
Net income (loss) attributable to noncontrolling interests	**5**	(4)	NM
Net income	**$ 936**	$ 908	3%
Average assets *(in billions of dollars)*	**$ 64**	$ 58	10%
Return on assets	**5.93%**	6.35%	
Revenues by region			
North America	**$ 639**	$ 589	8%
EMEA	**833**	844	(1)
Latin America	**344**	343	
Asia	**621**	598	4
Total revenues	**$ 2,437**	$ 2,374	3%
Revenue Details			
Treasury and Trade Solutions	**$ 1,781**	$ 1,750	2%
Securities and Fund Services	**656**	624	5
Total revenues	**$ 2,437**	$ 2,374	3%
Income from continuing operations by region			
North America	**$ 159**	$ 138	15%
EMEA	**306**	326	(6)
Latin America	**157**	160	(2)
Asia	**319**	280	14
Total net income from continuing operations	**$ 941**	$ 904	4%
Key indicators *(in billions of dollars)*			
Average deposits and other customer liability balances	**$ 319**	$ 278	15%
EOP assets under custody *(in trillions of dollars)*	**11.8**	10.5	12

NM Not meaningful

1Q10 vs. 1Q09

Revenues, net of interest expense, grew 3% as improvement in fees in both the TTS and SFS businesses more than offset spread compression. Average deposits and Assets under custody were up 15% and 12%, respectively, from a year ago.

Treasury and Trade Solutions revenue increased 2%, driven primarily by stronger performances in the Trade business as well as increased balances, offset partially by spread compression.

Securities and Funds Services revenues increased 5%, driven by higher asset valuations and volumes.

Operating expenses increased 7%, related to continued increased investment spend required to support future business growth.

Provisions for loan losses and for benefits and claims declined by $18 million, primarily attributable to overall portfolio improvement.

Table of Contents

CITI HOLDINGS

Citi Holdings contains businesses and portfolios of assets that Citigroup has determined are not central to its core Citicorp business. These noncore businesses tend to be more asset-intensive and reliant on wholesale funding and also may be product-driven rather than client-driven. Citi intends to exit these businesses as quickly as practicable yet in an economically rational manner through business divestitures, portfolio run-off and asset sales. Citi has made substantial progress divesting and exiting businesses from Citi Holdings, having completed 20 divestitures since the beginning of 2009 through March 31, 2010, including Smith Barney, Nikko Cordial Securities, Nikko Asset Management, Financial Institution Credit Card business (FI) and Diners Club North America. Citi Holdings' assets have been reduced by approximately 16%, or $96 billion, from the first quarter of 2009 and 39% from the peak in the first quarter of 2008. Citi Holdings' assets represented approximately 25% of Citi's assets as of March 31, 2010. Asset reductions from Citi Holdings have the combined benefits of further fortifying Citigroup's capital base, lowering risk, simplifying the organization and allowing Citi to allocate capital to fund long-term strategic businesses.

Citi Holdings consists of the following businesses: *Brokerage and Asset Management; Local Consumer Lending;* and *Special Asset Pool.*

In millions of dollars	First Quarter 2010	First Quarter 2009	% Change
Net interest revenue	**$ 4,373**	$ 5,057	(14)%
Non-interest revenue	**2,177**	(1,963)	NM
Total revenues, net of interest expense	**$ 6,550**	$ 3,094	NM
Provisions for credit losses and for benefits and claims			
Net credit losses	**$ 5,241**	$ 6,027	(13)%
Credit reserve build	**340**	1,637	(79)
Provision for loan losses	**$ 5,581**	$ 7,664	(27)%
Provision for benefits and claims	**243**	290	(16)
Provision for unfunded lending commitments	**(26)**	28	NM
Total provisions for credit losses and for benefits and claims	**$ 5,798**	$ 7,982	(27)%
Total operating expenses	**$ 2,574**	$ 4,185	(38)%
(Loss) from continuing operations before taxes	**$ (1,822)**	$ (9,073)	80%
Benefits for income taxes	**(946)**	(3,588)	74
Income (loss) from continuing operations	**$ (876)**	$ (5,485)	84%
Net income (loss) attributable to noncontrolling interests	**11**	(11)	NM
Citi Holdings net (loss)	**$ (887)**	$ (5,474)	84%
Balance sheet data *(in billions of dollars)*			
Total EOP assets	**$ 503**	$ 599	(16)%
Total EOP deposits	**$ 86**	$ 85	1%
Total GAAP Revenues	**$ 6,550**	$ 3,094	NM
Net Impact of Credit Card Securitization Activity(1)		968	(100)%
Total Managed Revenues	**$ 6,550**	$ 4,062	61%
GAAP Net Credit Losses	**$ 5,241**	$ 6,027	(13)%
Impact of Credit Card Securitization Activity(1)		1,057	(100)

Total Managed Net Credit Losses	**$ 5,241**	$ 7,084	(26)%

(1) See discussion of adoption of SFAS 166/167 on page 3 and Note 1 to the Consolidated Financial Statements.

NM Not meaningful

Table of Contents

BROKERAGE AND ASSET MANAGEMENT

Brokerage and Asset Management (BAM), which constituted approximately 6% of Citi Holdings by assets as of March 31, 2010, consists of Citi's global retail brokerage and asset management businesses. This segment was substantially affected by, and reduced in size in 2009 due to, the divestitures of Smith Barney (to the Morgan Stanley Smith Barney joint venture (MSSB JV)) and Nikko Cordial Securities. At March 31, 2010, *BAM* had approximately $31 billion of assets, primarily consisting of Citi's investment in, and associated earnings from, the MSSB JV. Morgan Stanley has options to purchase Citi's remaining stake in the MSSB JV over three years starting in 2012.

	First Quarter		%
In millions of dollars	**2010**	**2009**	**Change**
Net interest revenue	**$ (65)**	$ 364	NM
Non-interest revenue	**405**	1,243	(67)%
Total revenues, net of interest expense	**$ 340**	$ 1,607	(79)%
Total operating expenses	**$ 265**	$ 1,499	(82)%
Net credit losses	**$ 11**	$	
Credit reserve build/(release)	**(7)**	43	
Provision for unfunded lending commitments			
Provision for benefits and claims	**9**	11	(18)%
Provisions for loan losses and for benefits and claims	**$ 13**	$ 54	(76)%
Income from continuing operations before taxes	**$ 62**	$ 54	15%
Income taxes (benefits)	**(19)**	20	NM
Income from continuing operations	**$ 81**	$ 34	NM
Net (loss) attributable to noncontrolling interests	**(5)**	(17)	71%
Net income	**$ 86**	$ 51	69%
EOP assets *(in billions of dollars)*	**$ 31**	$ 47	(34)%
EOP deposits *(in billions of dollars)*	**59**	59	

NM Not meaningful

1Q10 vs. 1Q09

Revenues, net of interest expense, decreased 79% from the prior-year period, primarily driven by the absence of Smith Barney revenue, partially offset by favorable net revenue marks in retail alternative investments and the sale of Chilean pension fund administrator AFP Habitat.

Operating expenses decreased 82% from the prior-year period, mainly driven by the absence of Smith Barney expenses and the absence of restructuring expenses in retail alternative investments incurred in the first quarter of 2009.

Provisions for loan losses and for benefits and claims decreased 76%, driven by a $50 million change in the reserve build in the first quarter of 2010.

Assets declined 34% versus the prior-year period, mostly driven by the sales of Nikko Cordial Securities and Nikko Asset Management, offset partially by the net impact of the MSSB JV.

Table of Contents

LOCAL CONSUMER LENDING

Local Consumer Lending (LCL), which constituted approximately 69% of Citi Holdings by assets as of March 31, 2010, includes a portion of Citigroup's North American mortgage business, retail partner cards, Western European cards and retail banking, CitiFinancial North America, Primerica (whose IPO closed on April 7, 2010), Student Loan Corporation and other local consumer finance businesses globally. At March 31, 2010, *LCL* had $346 billion of assets ($314 billion in *North America*). Approximately $152 billion of assets in *LCL* as of March 31, 2010 consisted of U.S. mortgages in the company's CitiMortgage and CitiFinancial operations. The North American assets consist of residential mortgage loans, retail partner card loans, student loans, personal loans, auto loans, commercial real estate, and other consumer loans and assets.

	First Quarter		%
In millions of dollars	**2010**	**2009**	**Change**
Net interest revenue	**$ 4,020**	$ 3,704	9%
Non-interest revenue	**650**	2,317	(72)
Total revenues, net of interest expense	**$ 4,670**	$ 6,021	(22)%
Total operating expenses	**$ 2,178**	$ 2,470	(12)%
Net credit losses	**$ 4,938**	$ 4,517	9%
Credit reserve build	**386**	1,562	(75)
Provision for benefits and claims	**234**	279	(16)
Provision for unfunded lending commitments			
Provisions for loan losses and for benefits and claims	**$ 5,558**	$ 6,358	(13)%
(Loss) from continuing operations before taxes	**$ (3,066)**	$ (2,807)	(9)%
Income taxes (benefits)	**(1,228)**	(1,236)	1
(Loss) from continuing operations	**$ (1,838)**	$ (1,571)	(17)%
Net income attributable to noncontrolling interests		7	(100)
Net (loss)	**$ (1,838)**	$ (1,578)	(16)%
Average assets *(in billions of dollars)*	**$ 355**	$ 368	(4)%
Managed net credit losses as a percentage of average managed loans(1)	**6.30%**	6.36%	
Revenue by business			
International	**$ 335**	$ 2,024	(83)%
Retail Partner Cards	**2,206**	1,527	44
North America (ex Cards)	**2,129**	2,470	(14)
Total GAAP Revenues	**$ 4,670**	$ 6,021	(22)%
Net impact of credit card securitization activity(2)		968	(100)
Total Managed Revenues	**$ 4,670**	$ 6,989	(33)%

Net Credit Losses by business					
International	**$**	**612**	$	818	(25)%
Retail partner cards		**1,932**		901	NM
North America (ex Cards)		**2,394**		2,798	(14)
Total GAAP net credit losses	**$**	**4,938**	$	4,517	9%
Net impact of credit card securitization activity(2)				1,057	(100)
Total Managed Net Credit Losses	**$**	**4,938**	$	5,574	(11)%

(1) See "Managed Presentations" below.

(2) See discussion of adoption of SFAS 166/167 on page 3 and Note 1 to the Consolidated Financial Statements.

1Q10 vs. 1Q09

Revenues, net of interest expense decreased 22% from the prior-year period, mostly due to lower non-interest revenue (discussed below). *Net interest revenue* increased 9% primarily due to the adoption of SFAS 166/167 in the first quarter of 2010 and the impact of retail partner cards pricing actions in the latter part of 2009 and first quarter of 2010, in anticipation of the CARD Act. See "Executive Summary Business Outlook" for additional information. This was partially offset by lower balances and the impact of higher delinquencies, interest write-offs, and loan modification programs. *Non-interest revenue* decreased 72% mainly driven by the absence of the $1.1 billion gain on the sale of Redecard shares in the prior-year period, losses on asset sales, and the adoption of SFAS 166/167 in the current quarter.

Operating expenses declined 12% due to lower volumes, re-engineering benefits, and the absence of costs associated with the U.S. government loss-sharing agreement which was exited in the fourth quarter of 2009.

Provisions for loan losses and for benefits and claims decreased 13% from the prior period reflecting a $1.2 billion decrease in the reserve build, partially offset by higher net credit losses (NCLs) primarily in the retail partner cards business due to the adoption of SFAS 166/167. On a managed basis, NCLs were lower across most businesses, primarily reflecting lower severity of loss, sales of non-performing assets, and the impact of modification programs in real estate, as well as an improvement in international credit trends.

Table of Contents

Managed Presentations

	First Quarter	
	2010	**2009**
Managed credit losses as a percentage of average managed loans	**6.30%**	6.36%
Impact from credit card securitizations(1)		0.62
Net credit losses as a percentage of average loans	**6.30%**	5.74%

(1) See discussion of adoption of SFAS 166/167 on page 3 and Note 1 to the Consolidated Financial Statements.

Assets declined 4% versus the prior-year period primarily driven by portfolio run-off, higher loan loss reserve balances, and the impact of asset sales and divestitures, partially offset by an increase of $41 billion resulting from the adoption of SFAS 166/167.

Table of Contents

SPECIAL ASSET POOL

Special Asset Pool (SAP), which constituted approximately 25% of Citi Holdings by assets as of March 31, 2010, is a portfolio of securities, loans and other assets that Citigroup intends to actively reduce over time through asset sales and portfolio run-off. At March 31, 2010, *SAP* had $126 billion of assets. *SAP* assets have declined by $202 billion, or 62% from peak levels in the fourth quarter of 2007 reflecting cumulative asset sales, write-downs and portfolio run-off. Approximately 58% of *SAP* assets are now accounted for on an accrual basis, which has helped reduce income volatility.

	First Quarter		%
In millions of dollars	2010	2009	Change
Net interest revenue	**$ 418**	$ 989	(58)%
Non-interest revenue	**1,122**	(5,523)	NM
Revenues, net of interest expense	**$ 1,540**	$ (4,534)	NM
Total operating expenses	**131**	216	(39)%
Net credit losses	**$ 292**	$ 1,510	(81)%
Provision for unfunded lending commitments	**(26)**	28	NM
Credit reserve builds/(release)	**(39)**	32	NM
Provisions for loan losses and for benefits and claims	**$ 227**	$ 1,570	(86)%
Income (loss) from continuing operations before taxes	**$ 1,182**	$ (6,320)	NM
Income taxes (benefits)	**301**	(2,372)	NM
Income (loss) from continuing operations	**$ 881**	$ (3,948)	NM
Net income (loss) attributable to noncontrolling interests	**16**	(1)	NM
Net income (loss)	**$ 865**	$ (3,947)	NM
EOP assets *(in billions of dollars)*	**$ 126**	$ 193	(35)%

NM Not meaningful

1Q10 vs. 1Q09

Revenues, net of interest expense, increased $6.1 billion from the prior-year period primarily due to favorable net revenue marks relative to the year-ago levels (positive net revenue marks of $1.4 billion in the first quarter of 2010 versus negative net revenue marks of $4.5 billion in the prior year period). Revenue in the current quarter included positive marks of $804 million on subprime-related direct exposures, $398 million related to CVA on the monoline insurers, and $395 million related to non-credit accretion, offset by negative revenues of $164 million on Alt-A mortgages and $48 million of other net write-downs and losses.

Operating expenses decreased 39% primarily driven by the absence of costs associated with the U.S. government loss-sharing agreement which was exited in the fourth quarter of 2009, lower franchise taxes, legal fees, and transaction expenses.

Provisions for loan losses and for benefits and claims decreased 86% to $227 million, driven by a $1.2 billion decrease in net credit losses.

Assets declined $67 billion, or 35% , versus the prior-year period, primarily driven by amortization and prepayments, sales, marks and charge-offs.

26

Table of Contents

The following table provides details of the composition of *SAP* assets as of March 31, 2010.

In billions of dollars	Assets within Special Asset Pool as of March 31, 2010 Carrying value of assets	Face value	Carrying value as % of face value
Securities in Available-for-Sale (AFS)			
Corporates	$ 7.6	$ 7.8	98%
Prime and non-U.S. mortgage-backed securities (MBS)	4.7	5.8	81
Auction rate securities (ARS)	2.4	2.9	82
Other securities(1)	1.7	1.9	89
Total securities in AFS	$ 16.4	$ 18.4	89%
Securities in Held-to-Maturity (HTM)			
Prime and non-U.S. MBS	$ 11.8	$ 14.5	81%
Alt-A mortgages	10.3	20.2	51
Corporates	7.6	8.7	87
ARS	5.3	7.4	72
Other securities(2)	7.4	9.9	74
Total securities in HTM	$ 42.4	$ 60.7	70
Loans, leases and letters of credit (LCs) in Held-for-Investment (HFI)/Held-for-Sale (HFS)(3)			
Corporates	$ 13.8	$ 15.2	91%
Commercial real estate (CRE)	9.2	10.7	86
Other	2.6	3.2	81
Loan loss reserves	(3.5)	NM	NM
Total loans, leases and LCs in HFI/HFS	$ 22.1	NM	NM
Mark-to-market			
Subprime securities	$ 5.9	$ 12.7	46%
Other securities(4)	5.3	23.2	23
Derivatives	6.8	NM	NM
Loans, leases and letters of credit	4.2	6.8	63
Repurchase agreements	6.4	NM	NM
Total mark to market	$ 28.6	NM	NM
Highly leveraged finance commitments	$ 1.7	$ 3.3	52%
Equities (excludes ARS in AFS)	6.3	NM	NM
Monolines	1.3	NM	NM
Consumer and other(5)	6.7	NM	NM
Total	$ 125.5		

(1) Includes municipals ($1.0 billion) and asset-backed securities (ABS) ($0.6 billion).

(2) Includes structured investment vehicle (SIV) assets that are not otherwise included in the categories above ($4.6 billion).

(3) Held-for-sale (HFS) accounts for approximately $1.1 billion of the total.

(4) Includes $1.5 billion of corporates and $1.5 billion of commercial real estate.

(5) Includes $2.0 billion of small business banking and finance loans and $1.1 billion of personal loans.

Notes: Assets in the SIVs have been allocated to the corresponding asset categories above. *SAP* had total CRE assets of $12.8 billion at March 31, 2010 (78% in HFI/HFS, 13% in mark-to-market, 7% in equity method investments and 2% in AFS/HTM).

Excludes Discontinued Operations.

NM Not meaningful

Table of Contents

Items Impacting SAP Revenues

The table below provides additional information regarding the net revenue marks affecting the *SAP* during the first quarter of 2010 and 2009, respectively.

	Pretax revenue	
In millions of dollars	**First Quarter 2010**	**First Quarter 2009**
Subprime-related direct exposures(1)	**$ 804**	$ (2,296)
CVA related to exposure to monoline insurers	**398**	(1,090)
Alt-A mortgages(2)(3)	**(164)**	(503)
CRE positions(2)(4)	**(58)**	(96)
CVA on derivatives positions, excluding monoline insurers	**50**	313
SIV assets	**(24)**	(47)
Private equity and equity investments	**(12)**	(1,015)
Highly leveraged loans and financing commitments(5)	**(1)**	(247)
ARS proprietary positions		(23)
CVA on Citi debt liabilities under fair value option	**(4)**	(18)
Subtotal	**$ 989**	$ (5,022)
Accretion on reclassified assets(6)	**395**	541
Total selected revenue items	**$ 1,384**	$ (4,481)

---

(1) Net of impact from hedges against direct subprime ABS collateralized debt obligation (CDO) super senior positions.

(2) Net of hedges.

(3) For these purposes, Alt-A mortgage securities are non-agency residential MBS (RMBS) where (i) the underlying collateral has weighted average FICO scores between 680 and 720 or (ii) for instances where FICO scores are greater than 720, RMBS have 30% or less of the underlying collateral composed of full documentation loans.

(4) Excludes positions in SIVs.

(5) Net of underwriting fees.

(6) Recorded as net interest revenue.

Credit Valuation Adjustment (CVA) Related to Monoline Insurers

CVA is calculated by applying forward default probabilities, which are derived using the counterparty's current credit spread, to the expected exposure profile. The exposure primarily relates to hedges on super-senior subprime exposures that were executed with various monoline insurance companies. CVA amounts also reflect expected settlements with certain counterparties.

Table of Contents

CORPORATE/OTHER

Corporate/Other includes global staff functions (includes finance, risk, human resources, legal and compliance) and other corporate expense, global operations and technology (O&T), residual Corporate Treasury and Corporate items. At March 31, 2010, this segment had approximately $263 billion of assets, consisting primarily of Citi's liquidity portfolio.

	First Quarter	
In millions of dollars	**2010**	**2009**
Net interest revenue	**$ 318**	$ (642)
Non-interest revenue	**31**	1,142
Total revenues, net of interest expense	**$ 349**	$ 500
Total operating expenses	**$ 459**	$ 101
Provisions for loan losses and for benefits and claims	**1**	2
Income (loss) from continuing operations before taxes	**$ (111)**	$ 397
Income taxes (benefits)	**(75)**	1,049
(Loss) from continuing operations	**$ (36)**	$ (652)
Income (loss) from discontinued operations, net of taxes	**211**	(117)
Net income (loss) before attribution of noncontrolling interests	**$ 175**	$ (769)
Net income attributable to noncontrolling interests		(2)
Net income (loss)	**$ 175**	$ (767)

1Q10 vs. 1Q09

Revenues, net of interest expense, declined primarily due to lower Citi Treasury revenues, driven primarily by lower gains from hedging activity, offset partially by lower short-term funding costs.

Operating Expenses increased primarily due to compensation related costs, intersegment eliminations, and legal reserve charges.

Table of Contents

SEGMENT BALANCE SHEET AT MARCH 31, 2010

In millions of dollars	Regional Consumer Banking	Institutional Clients Group	Subtotal Citicorp	Citi Holdings	Corporate/Other, Discontinued Operations and Consolidating Eliminations	Total Citigroup Consolidated
Assets						
Cash and due from banks	$ 8,515	$ 15,258	$ 23,773	$ 1,444	$ 461	$ 25,678
Deposits with banks	8,402	42,907	51,309	4,616	107,600	163,525
Federal funds sold and securities borrowed or purchased under agreements to resell	299	227,270	227,569	6,778	1	234,348
Brokerage receivables		22,944	22,944	10,977	80	34,001
Trading account assets	11,787	314,510	326,297	26,570	(7,084)	345,783
Investments	37,282	93,863	131,145	76,708	108,880	316,733
Loans, net of unearned income						
Consumer	219,588		219,588	311,881		531,469
Corporate		159,695	159,695	30,640		190,335
Loans, net of unearned income	$ 219,588	$ 159,695	$ 379,283	$ 342,521	$	$ 721,804
Allowance for loan losses	(14,649)	(3,854)	(18,503)	(30,243)		(48,746)
Total loans, net	$ 204,939	$ 155,841	$ 360,780	$ 312,278	$	$ 673,058
Goodwill	10,179	10,757	20,936	4,726		25,662
Intangible assets (other than MSRs)	2,427	1,052	3,479	4,798		8,277
Mortgage servicing rights (MSRs)	2,407	71	2,478	3,961		6,439
Other assets	27,135	37,983	65,118	50,200	53,391	168,709
Total assets	$ 313,372	$ 922,456	$ 1,235,828	$ 503,056	$ 263,329	$ 2,002,213
Liabilities and equity						
Total deposits	$ 294,724	$ 435,027	$ 729,751	$ 85,484	$ 12,679	$ 827,914
Federal funds purchased and securities loaned or sold under agreements to repurchase	4,051	203,540	207,591	2	318	207,911
Brokerage payables	235	54,800	55,035	1	5	55,041
Trading account liabilities	26	136,425	136,451	6,297		142,748
Short-term borrowings	139	55,883	56,022	5,593	35,079	96,694
Long-term debt	3,138	84,089	87,227	48,784	303,263	439,274
Other liabilities	18,066	18,229	36,295	25,718	16,839	78,852
Net inter-segment funding (lending)	(7,007)	(65,537)	(72,544)	331,177	(258,633)	
Total Citigroup stockholders' equity					$ 151,421	$ 151,421
Noncontrolling interest					2,358	2,358
Total equity					153,779	153,779
Total liabilities and equity	$ 313,372	$ 922,456	$ 1,235,828	$ 503,056	$ 263,329	$ 2,002,213

The supplemental information presented above reflects Citigroup's consolidated GAAP balance sheet by reporting segment as of March 31, 2010. The respective segment information closely depicts the assets and liabilities managed by each segment as of such date. While this presentation is not defined by GAAP, Citi believes that these non-GAAP financial measures enhance investors' understanding of the balance sheet components managed by the underlying business segments, as well as the beneficial interrelationship of the asset and liability dynamics of the balance sheet components among Citi's business segments.

Table of Contents

CAPITAL RESOURCES AND LIQUIDITY

CAPITAL RESOURCES

Overview

Historically, capital has been generated by earnings from Citi's operating businesses. In addition, Citi may augment, and during the recent financial crisis has augmented, its capital through issuances of common stock, convertible preferred stock, preferred stock, equity issued through awards under employee benefit plans, and, in the case of regulatory capital, through the issuance of subordinated debt underlying trust preferred securities. Further, the impact of future events on Citi's business results, such as corporate and asset dispositions, as well as changes in accounting standards, also affect Citi's capital levels.

Generally, capital is used primarily to support assets in Citi's businesses and to absorb market, credit, or operational losses. While capital may be used for other purposes, such as to pay dividends or repurchase common stock, Citi's ability to utilize its capital for these purposes is currently restricted due to its agreements with the U.S. government, generally for so long as the U.S. government continues to hold Citi's common stock or trust preferred securities.

Citigroup's capital management framework is designed to ensure that Citigroup and its principal subsidiaries maintain sufficient capital consistent with Citi's risk profile and all applicable regulatory standards and guidelines, as well as external rating agency considerations. The capital management process is centrally overseen by senior management and is reviewed at the consolidated, legal entity, and country levels.

Senior management is responsible for the capital management process mainly through Citigroup's Finance and Asset and Liability Committee (FinALCO), with oversight from the Risk Management and Finance Committee of Citigroup's Board of Directors. The FinALCO is composed of the senior-most management of Citigroup for the purpose of engaging management in decision-making and related discussions on capital and liquidity matters. Among other things, FinALCO's responsibilities include: determining the financial structure of Citigroup and its principal subsidiaries; ensuring that Citigroup and its regulated entities are adequately capitalized in consultation with its regulators; determining appropriate asset levels and return hurdles for Citigroup and individual businesses; reviewing the funding and capital markets plan for Citigroup; and monitoring interest rate risk, corporate and bank liquidity, and the impact of currency translation on non-U.S. earnings and capital.

Capital Ratios

Citigroup is subject to the risk-based capital guidelines issued by the Federal Reserve Board. Historically, capital adequacy has been measured, in part, based on two risk-based capital ratios, the Tier 1 Capital and Total Capital (Tier 1 Capital + Tier 2 Capital) ratios. Tier 1 Capital consists of the sum of "core capital elements," such as qualifying common stockholders' equity, as adjusted, qualifying noncontrolling interests, and qualifying mandatorily redeemable securities of subsidiary trusts, principally reduced by goodwill, other disallowed intangible assets, and disallowed deferred tax assets. Total Capital also includes "supplementary" Tier 2 Capital elements, such as qualifying subordinated debt and a limited portion of the allowance for credit losses. Both measures of capital adequacy are stated as a percentage of risk-weighted assets. Further, in conjunction with the conduct of the 2009 Supervisory Capital Assessment Program (SCAP), U.S. banking regulators developed a new measure of capital termed "Tier 1 Common," which has been defined as Tier 1 Capital less non-common elements, including qualifying perpetual preferred stock, qualifying noncontrolling interests, and qualifying mandatorily redeemable securities of subsidiary trusts. Tier 1 Common and related capital adequacy ratios are measures used and relied upon by U.S. banking regulators; however, they are non-GAAP financial measures for SEC purposes. See "Components of Capital Under Regulatory Guidelines" below.

Citigroup's risk-weighted assets are principally derived from application of the risk-based capital guidelines related to the measurement of credit risk. Pursuant to these guidelines, on-balance-sheet assets and the credit equivalent amount of certain off-balance-sheet exposures (such as financial guarantees, unfunded lending commitments, letters of credit, and derivatives) are assigned to one of several prescribed risk-weight categories based upon the perceived credit risk associated with the obligor, or if relevant, the guarantor, the nature of the collateral, or external credit ratings. Risk-weighted assets also incorporate a measure for market risk on covered trading account positions and all foreign exchange and commodity positions whether or not carried in the trading account. Excluded from risk-weighted assets are any assets, such as goodwill and deferred tax assets, to the extent required to be deducted from regulatory capital. See "Components of Capital Under Regulatory Guidelines" below.

Citigroup is also subject to a Leverage ratio requirement, a non-risk-based measure of capital adequacy, which is defined as Tier 1 Capital as a percentage of quarterly adjusted average total assets.

To be "well capitalized" under federal bank regulatory agency definitions, a bank holding company must have a Tier 1 Capital ratio of at least 6%, a Total Capital ratio of at least 10%, and a Leverage ratio of at least 3%, and not be subject to a Federal Reserve Board directive to maintain higher capital levels. The following table sets forth Citigroup's regulatory capital ratios as of March 31, 2010 and December 31, 2009.

Table of Contents

Citigroup Regulatory Capital Ratios

	Mar. 31, 2010	Dec. 31, 2009
Tier 1 Common	**9.11%**	9.60%
Tier 1 Capital	**11.28**	11.67
Total Capital (Tier 1 Capital + Tier 2 Capital)	**14.88**	15.25
Leverage	**6.16**	6.89

As noted in the table above, Citigroup was "well capitalized" under the federal bank regulatory agency definitions as of March 31, 2010 and December 31, 2009.

Components of Capital Under Regulatory Guidelines

In millions of dollars	March 31, 2010	December 31, 2009(1)
Tier 1 Common		
Citigroup common stockholders' equity	**$ 151,109**	$ 152,388
Less: Net unrealized losses on securities available-for-sale, net of tax(2)	**(3,165)**	(4,347)
Less: Accumulated net losses on cash flow hedges, net of tax	**(2,959)**	(3,182)
Less: Pension liability adjustment, net of tax(3)	**(3,509)**	(3,461)
Less: Cumulative effect included in fair value of financial liabilities attributable to the change in own credit worthiness, net of tax(4)	**686**	760
Less: Disallowed deferred tax assets(5)	**30,852**	26,044
Less: Intangible assets:		
Goodwill	**25,662**	25,392
Other disallowed intangible assets	**5,773**	5,899
Other	**(792)**	(788)
Total Tier 1 Common	**$ 96,977**	$ 104,495
Qualifying perpetual preferred stock	**$ 312**	$ 312
Qualifying mandatorily redeemable securities of subsidiary trusts	**21,555**	19,217
Qualifying noncontrolling interests	**1,206**	1,135
Other		1,875
Total Tier 1 Capital	**$ 120,050**	$ 127,034
Tier 2 Capital		
Allowance for credit losses(6)	**$ 13,792**	$ 13,934
Qualifying subordinated debt(7)	**23,658**	24,242
Net unrealized pretax gains on available-for-sale equity securities(2)	**792**	773
Total Tier 2 Capital	**$ 38,242**	$ 38,949
Total Capital (Tier 1 Capital and Tier 2 Capital)	**$ 158,292**	$ 165,983
Risk-weighted assets(8)	**$ 1,064,042**	$ 1,088,526

(1) Reclassified to conform to the current period presentation.

(2) Tier 1 Capital excludes net unrealized gains (losses) on available-for-sale debt securities and net unrealized gains on available-for-sale equity securities with readily determinable fair values, in accordance with risk-based capital guidelines. In arriving at Tier 1 Capital,

banking organizations are required to deduct net unrealized losses on available-for-sale equity securities with readily determinable fair values, net of tax. Banking organizations are permitted to include in Tier 2 Capital up to 45% of net unrealized pretax gains on available-for-sale equity securities with readily determinable fair values.

(3)
The Federal Reserve Board granted interim capital relief for the impact of ASC 715-20, *Compensation Retirement Benefits Defined Benefits Plans* (formerly SFAS 158).

(4)
The impact of including Citigroup's own credit rating in valuing financial liabilities for which the fair value option has been elected is excluded from Tier 1 Capital, in accordance with risk-based capital guidelines.

(5)
Of Citi's approximately $50 billion of net deferred tax assets at March 31, 2010, approximately $15 billion of such assets were includable without limitation in regulatory capital pursuant to risk-based capital guidelines, while approximately $31 billion of such assets exceeded the limitation imposed by these guidelines and, as "disallowed deferred tax assets," were deducted in arriving at Tier 1 Capital. Citigroup's approximately $4 billion of other net deferred tax assets primarily represented approximately $2 billion of deferred tax effects of unrealized gains and losses on available-for-sale debt securities and approximately $2 billion of deferred tax effects of the pension liability adjustment, which are permitted to be excluded prior to deriving the amount of net deferred tax assets subject to limitation under the guidelines. Citi had approximately $26 billion of disallowed deferred tax assets at December 31, 2009.

(6)
Includable up to 1.25% of risk-weighted assets. Any excess allowance for credit losses is deducted in arriving at risk-weighted assets.

(7)
Includes qualifying subordinated debt in an amount not exceeding 50% of Tier 1 Capital.

(8)
Includes risk-weighted credit equivalent amounts, net of applicable bilateral netting agreements, of $61.3 billion for interest rate, commodity, and equity derivative contracts, foreign exchange contracts, and credit derivatives as of March 31, 2010, compared with $64.5 billion as of December 31, 2009. Market risk equivalent assets included in risk-weighted assets amounted to $75.5 billion at March 31, 2010 and $80.8 billion at December 31, 2009. Risk-weighted assets also include the effect of certain other off-balance-sheet exposures, such as unused lending commitments and letters of credit, and reflect deductions such as certain intangible assets and any excess allowance for credit losses.

Adoption of SFAS 166/167 Impact on Capital

The adoption of SFAS 166/167 had a significant and immediate impact on Citigroup's capital ratios in the first quarter of 2010.

As described elsewhere in the Form 10-Q, the adoption of SFAS 166/167 resulted in the consolidation of $137 billion of incremental assets and $146 billion of liabilities onto Citigroup's Consolidated Balance Sheet, including securitized credit card receivables on the date of adoption, January 1, 2010. The adoption of SFAS 166/167 also resulted in a net increase of $10 billion in risk-weighted assets. In addition, Citi added $13.4 billion to the loan loss allowance, increased deferred tax assets by $5.0 billion, and reduced retained earnings by $8.4 billion. This translated into a reduction in Tangible Common Equity of $8.4 billion, and a decrease in Tier 1 Common, Tier 1 Capital, and Total Capital of $14.2 billion, $14.2 billion, and $14.0 billion, respectively, which were partially offset by net income of $4.4 billion and $2.3 billion of qualifying mandatorily redeemable securities of subsidiary trusts issued during the quarter.

The impact on Citigroup's capital ratios from the January 1, 2010 adoption of SFAS 166/167 was as follows:

As of January 1, 2010	**Impact**
Tier 1 Common	(138) bps
Tier 1 Capital	(141) bps
Total Capital	(142) bps
Leverage	(118) bps
TCE (TCE/RWA)	(87) bps

For more information, see Note 1 to the Consolidated Financial Statements below.

Common Stockholders' Equity

Citigroup's common stockholders' equity decreased during the three months ended March 31, 2010 by $1.3 billion to $151.1 billion, and represented 7.5% of total assets as of March 31, 2010. Citigroup's common stockholders' equity was $152.4 billion, which represented 8.2% of total assets, at December 31, 2009.

The table below summarizes the change in Citigroup's common stockholders' equity during the first quarter of 2010:

In billions of dollars	
Common stockholders' equity, December 31, 2009	**$ 152.4**
Transition adjustment to Retained Earnings associated with the adoption of SFAS 166/167 (as of January 1, 2010)	**(8.4)**
Net income	**4.4**
Employee benefit plans and other activities	**(0.3)**
ADIA Upper DECs equity units purchase contract	**1.9**
Net change in accumulated other comprehensive income (loss), net of tax	**1.1**
Common stockholders' equity, March 31, 2010	**$ 151.1**

Table of Contents

As of March 31, 2010, $6.7 billion of stock repurchases remained under Citi's authorized repurchase programs. No material repurchases were made in the first quarter of 2010, or the year ended December 31, 2009. Generally, for so long as the U.S. government holds any Citigroup common stock or trust preferred securities, Citigroup has agreed not to acquire, repurchase, or redeem any Citigroup equity or trust preferred securities, other than pursuant to administering its employee benefit plans or other customary exceptions, or with the consent of the U.S. government. See also Part II, Item 2 of this Form 10-Q.

Tangible Common Equity (TCE)

TCE, as defined by Citigroup, represents *Common equity* less *Goodwill* and *Intangible assets* (*other than Mortgage Servicing Rights (MSRs)*) net of the related net deferred taxes. Other companies may calculate TCE in a manner different from that of Citigroup. Citi's TCE was $117.1 billion at March 31, 2010 and $118.2 billion at December 31, 2009.

The TCE ratio (TCE divided by risk-weighted assets) was 11.0% at March 31, 2010 and 10.9% at December 31, 2009.

TCE is a capital adequacy metric used and relied upon by industry analysts; however, it is a non-GAAP financial measure for SEC purposes. A reconciliation of Citigroup's total stockholders' equity to TCE follows:

In millions of dollars	**Mar. 31, 2010**	**Dec. 31, 2009**
Total Citigroup stockholders' equity	**$ 151,421**	$ 152,700
Less:		
Preferred stock	**312**	312
Common equity	**$ 151,109**	$ 152,388
Less:		
Goodwill	**25,662**	25,392
Intangible assets (other than MSRs)	**8,277**	8,714
Intangible assets (other than MSRs) recorded as assets held for sale in Other assets	**45**	
Related net deferred tax assets	**65**	68
Tangible common equity (TCE)	**$ 117,060**	$ 118,214
Tangible assets		
GAAP assets	**$ 2,002,213**	$ 1,856,646
Less:		
Goodwill	**25,662**	25,392
Intangible assets (other than MSRs)	**8,277**	8,714
Intangible assets (other than MSRs) recorded as assets held for sale in Other assets	**45**	
Related deferred tax assets	**388**	386
Tangible assets (TA)	**$ 1,967,841**	$ 1,822,154
Risk-weighted assets (RWA)	**$ 1,064,042**	$ 1,088,526
TCE/TA ratio	**5.95%**	6.49%
TCE ratio (TCE/RWA)	**11.00%**	10.86%

Capital Resources of Citigroup's Depository Institutions

Citigroup's U.S. subsidiary depository institutions are subject to risk-based capital guidelines issued by their respective primary federal bank regulatory agencies, which are similar to the guidelines of the Federal Reserve Board. To be "well capitalized" under these regulatory definitions, Citigroup's depository institutions must have a Tier 1 Capital ratio of at least 6%, a Total Capital (Tier 1 Capital + Tier 2 Capital) ratio of at least 10%, and a Leverage ratio of at least 5%, and not be subject to a regulatory directive to meet and maintain higher capital levels.

There are various legal and regulatory limitations on the ability of Citigroup's subsidiary depository institutions to pay dividends, extend credit or otherwise supply funds to Citigroup and its non-bank subsidiaries. In determining the declaration of dividends, each depository institution must also consider its effect on applicable risk-based capital and Leverage ratio requirements, as well as policy statements of the federal regulatory agencies that indicate that banking organizations should generally pay dividends out of current operating earnings. Citigroup did not receive any dividends from its banking subsidiaries during the first quarter of 2010.

At March 31, 2010 and December 31, 2009, all of Citigroup's U.S. subsidiary depository institutions were "well capitalized" under federal bank regulatory agency definitions, including Citigroup's primary depository institution, Citibank, N.A., as noted in the following table:

Citibank, N.A. Components of Capital and Ratios Under Regulatory Guidelines

In billions of dollars	Mar. 31, 2010	Dec. 31, 2009
Tier 1 Capital	$ 99.1	$ 96.8
Total Capital (Tier 1 Capital + Tier 2 Capital)	112.8	110.6
Tier 1 Capital ratio	13.60%	13.16%
Total Capital ratio	15.48	15.03
Leverage ratio(1)	8.51	8.31

(1) Tier 1 Capital divided by each period's quarterly adjusted average total assets.

Table of Contents

The following table presents the estimated sensitivity of Citigroup's and Citibank, N.A.'s capital ratios to changes of $100 million in Tier 1 Common, Tier 1 Capital, or Total Capital (numerator), or changes of $1 billion in risk-weighted assets or adjusted average total assets (denominator) based on financial information as of March 31, 2010. This information is provided for the purpose of analyzing the impact that a change in Citigroup's or Citibank, N.A.'s financial position or results of operations could have on these ratios. These sensitivities only consider a single change to either a component of capital, risk-weighted assets, or adjusted average total assets. Accordingly, an event that affects more than one factor may have a larger basis point impact than is reflected in this table.

	Tier 1 Common ratio		Tier 1 Capital ratio		Total Capital ratio		Leverage ratio	
	Impact of $100 million change in Tier 1 Common	Impact of $1 billion change in risk-weighted assets	Impact of $100 million change in Tier 1 Capital	Impact of $1 billion change in risk-weighted assets	Impact of $100 million change in Total Capital	Impact of $1 billion change in risk-weighted assets	Impact of $100 million change in Tier 1 Capital	Impact of $1 billion change in adjusted average total assets
Citigroup	0.9 bps	0.9 bps	0.9 bps	1.1 bps	0.9 bps	1.4 bps	0.5 bps	0.3 bps
Citibank, N.A.			1.4 bps	1.9 bps	1.4 bps	2.1 bps	0.9 bps	0.7 bps

Broker-Dealer Subsidiaries

At March 31, 2010, Citigroup Global Markets Inc., a broker-dealer registered with the SEC that is an indirect wholly owned subsidiary of Citigroup Global Markets Holdings Inc., had net capital, computed in accordance with the SEC's net capital rule, of $8.4 billion, which exceeded the minimum requirement by $7.7 billion.

In addition, certain of Citi's broker-dealer subsidiaries are subject to regulation in the other countries in which they do business, including requirements to maintain specified levels of net capital or its equivalent. Citigroup's broker-dealer subsidiaries were in compliance with their capital requirements at March 31, 2010.

The requirements applicable to these subsidiaries in the U.S. and other jurisdictions may be subject to political uncertainty and potential change in light of the recent financial crisis and regulatory reform proposals currently being considered at both the legislative and regulatory levels.

Regulatory Capital Standards Developments

Citigroup supports the move to a new set of risk-based capital standards, published on June 26, 2004 (and subsequently amended in November 2005) by the Basel Committee on Banking Supervision, currently consisting of the central banks and bank supervisors of its 27 members. The international version of the Basel II framework will allow Citigroup to leverage internal risk models used to measure credit, operational, and market risk exposures to drive regulatory capital calculations.

On December 7, 2007, the U.S. banking regulators published the rules for large banks to comply with Basel II in the U.S. These rules require Citigroup, as a large and internationally active bank, to comply with the most advanced Basel II approaches for calculating credit and operational risk capital requirements. The U.S. implementation timetable consists of a parallel calculation period under the current regulatory capital regime (Basel I) and Basel II followed by a three year transitional period.

Citi began parallel reporting on April 1, 2010. There will be at least four quarters of parallel reporting until Citi enters the three year transitional period. U.S. regulators have reserved the right to change how Basel II is applied in the U.S. following a review at the end of the second year of the transitional period, and to retain the existing prompt corrective action and leverage capital requirements applicable to banking organizations in the U.S. Citigroup intends to implement Basel II within the timeframe required by the U.S. regulators.

The Basel II (or its successor) requirements are the subject of political uncertainty and potential tightening or other change in light of the recent financial crisis and regulatory reform proposals currently being considered at both the legislative and regulatory levels.

FUNDING AND LIQUIDITY

General

Citigroup's cash flows and liquidity needs are primarily generated within its operating subsidiaries. Exceptions exist for major corporate items, such as equity and certain long-term debt issuances, which take place at the Citigroup corporate level. Generally, Citi's management of funding and liquidity is designed to optimize availability of funds as needed within Citi's legal and regulatory structure. Various constraints limit certain subsidiaries' ability to pay dividends or otherwise make funds available. Consistent with these constraints, Citigroup's primary objectives for funding and liquidity management are established by entity and in aggregate across three main operating entities, as follows: (i) Citigroup, as the parent holding company; (ii) banking subsidiaries; and (iii) non-banking subsidiaries.

Citigroup sources of funding include deposits, collateralized financing transactions and a variety of unsecured short- and long-term instruments, including federal funds purchased, commercial paper, long-term debt, trust preferred securities, preferred stock and common stock.

As a result of continued deleveraging, growth in deposits, term securitization under government and non-government programs, the issuance of long-term debt under the FDIC's Temporary Liquidity Guarantee Program (TLGP) and the issuance of non-guaranteed debt (particularly during the latter part of 2009), Citigroup substantially increased its balances of cash and highly liquid securities and reduced its short-term borrowings.

Citi has focused on growing a geographically diverse retail and corporate deposit base that stood at approximately $828 billion as of March 31, 2010, as compared with $836 billion at December 31, 2009 and $763 billion at March 31, 2009. During the first quarter of 2010, excluding FX translation, Citigroup experienced seasonal deposit declines in Transaction Services and tightened pricing on its deposits. As stated above, Citigroup's deposits are diversified across products and regions, with approximately 64% outside of the U.S. This diversification provides Citi with an important and low-cost source of funding. A significant portion of these deposits has been, and is currently expected to be, long-term and stable, and is considered to be core.

One of Citi's key structural liquidity measures is the cash capital ratio. Cash capital is a broader measure of the ability to fund the structurally illiquid portion of Citigroup's balance sheet than traditional measures, such as deposits to loans or core deposits to loans. Cash capital measures the amount of long-term funding (>1 year) available to fund illiquid assets. Long-term funding includes core customer deposits, long-term debt and equity. Illiquid assets include loans (net of liquidity adjustments), illiquid securities, securities haircuts and other assets (i.e., goodwill, intangibles, fixed assets, receivables, etc.). At March 31, 2010, the combined Citigroup, the parent holding company, and CGMHI, as well as the aggregate banking subsidiaries had an excess of cash capital. In addition, as of March 31, 2010, the combined Citigroup, the parent holding company, and CGMHI maintained liquidity to meet all maturing obligations significantly in excess of a one-year period without access to the unsecured wholesale markets.

At March 31, 2010, long-term debt and commercial paper outstanding for Citigroup, Citigroup Global Markets Holdings Inc. (CGMHI), Citigroup Funding Inc. (CFI) and other Citigroup subsidiaries, collectively, were as follows:

In billions of dollars	Citigroup parent company	CGMHI(1)	CFI(1)	VIE Cons.	Other Citigroup subs.	Total Citigroup
Long-term debt(2)	$ 192.3	$ 9.1	$ 55.1	$ 113.6	$ 69.2(3)	$ 439.3
Commercial paper	$	$	$ 10.8	$ 31.2	$ 0.5	$ 42.5

(1) Citigroup guarantees all of CFI's debt and CGMHI's publicly issued securities.

(2) Of this amount, approximately $64.6 billion is guaranteed by the FDIC under the TLGP with $6.3 billion maturing in 2010, $20.3 billion maturing in 2011 and $38 billion maturing in 2012.

(3) At March 31, 2010, approximately $21.6 billion relates to collateralized advances from the Federal Home Loan Bank.

The table below details the long-term debt issuances of Citigroup during the past five quarters.

In billions of dollars	1Q09	2Q09	3Q09	4Q09	1Q10
Debt issued under TLGP guarantee	$ 21.9	$ 17.0	$ 10.0	**$ 10.0**	**$**
Debt issued without TLGP guarantee:					
Citigroup parent company/CFI	2.0	7.4	12.6	**4.0(3)**	**1.3**
Other Citigroup subsidiaries	0.5	10.1(1)	7.9(2)	**5.8(4)**	**3.7(5)**
Total	$ 24.4	$ 34.5	$ 30.5	**$ 19.8**	**$ 5.0**

(1) Includes $8.5 billion issued through the U.S. government-sponsored Department of Education Conduit Facility, and $1 billion issued by Citibank Pty. Ltd. Australia and guaranteed by the Commonwealth of Australia.

(2) Includes $3.3 billion issued through the U.S. government-sponsored Department of Education Conduit Facility, and $1 billion issued by Citibank Pty. Ltd. Australia and guaranteed by the Commonwealth of Australia.

(3) Includes $1.9 billion of senior debt issued under remarketing of $1.9 billion of Citigroup Capital XXIX trust preferred securities held by the Abu Dhabi Investment Authority (ADIA) to enable them to execute the forward stock purchase contract in March 2010.

(4) Includes $1.4 billion issued through the U.S. government-sponsored Department of Education Conduit Facility.

(5) Includes $0.5 billion issued through the U.S. government-sponsored Department of Education Conduit Facility and $0.5 billion issued by Citibank Pty. Ltd. Australia and guaranteed by the Commonwealth of Australia.

See Note 12 to the Consolidated Financial Statements for further detail on Citigroup's and its affiliates' long-term debt and commercial paper outstanding. Commercial paper outstanding as of March 31, 2010 increased from $10.2 billion as of December 31, 2009 to $42.5 billion as a result of the consolidation of VIEs due to the adoption of SFAS 166/167.

Table of Contents

Structural liquidity, defined as the sum of deposits, long-term debt and stockholders' equity as a percentage of total assets, was 71% at March 31, 2010, compared with 73% at December 31, 2009 and 68% at March 31, 2009. The reduction in the ratio during the current quarter primarily reflected the impact of adoption of SFAS 166/167.

Aggregate Liquidity Resources

	Parent & Broker Dealer			Significant Bank Entities			Total		
In billions of dollars	**Mar. 31, 2010**	**Dec. 31, 2009**	**Mar. 31, 2009**	**Mar. 31, 2010**	**Dec. 31, 2009**	**Mar. 31, 2009**	**Mar. 31, 2010**	**Dec. 31, 2009**	**Mar. 31, 2009**
Cash at major central banks	**$ 9.5**	$ 10.4	$ 17.3	**$ 108.9**	$ 105.1	$ 99.0	**$ 118.4**	$ 115.5	$ 116.3
Unencumbered Liquid Securities	**72.8**	76.4	51.7	**128.7**	123.6	46.9	**201.5**	200.0	98.6
Total	**$ 82.3**	$ 86.8	$ 69.0	**$ 237.6**	$ 228.7	$ 145.9	**$ 319.9**	$ 315.5	$ 214.9

As noted in the table above, Citigroup's aggregate liquidity resources totaled $319.9 billion as of March 31, 2010 as compared with $315.5 billion as of December 31, 2009, and $214.9 billion as of March 31, 2009. As of March 31, 2010, Citigroup's and its affiliates' liquidity portfolio and broker-dealer "cash box" totaled $82.3 billion as compared with $86.8 billion at December 31, 2009 and $69.0 billion at March 31, 2009. This includes the liquidity portfolio and cash box held in the U.S. as well as government bonds held by Citigroup's broker-dealer entities in the United Kingdom and Japan. Further, at March 31, 2010, Citigroup's bank subsidiaries had an aggregate of approximately $108.9 billion of cash on deposit with major central banks (including the U.S. Federal Reserve Bank of New York, the European Central Bank, Bank of England, Swiss National Bank, Bank of Japan, the Monetary Authority of Singapore, and the Hong Kong Monetary Authority), compared with approximately $105.1 billion at December 31, 2009 and $99.0 billion at March 31, 2009. Citigroup's bank subsidiaries also have significant additional liquidity resources through unencumbered highly liquid securities available for secured funding through private markets or that are, or could be, pledged to the major central banks and the U.S. Federal Home Loan Banks. The value of these liquid securities was $128.7 billion at March 31, 2010, as compared with $123.6 billion at December 31, 2009 and $46.9 billion at March 31, 2009. Significant amounts of cash and liquid securities are also available in other Citigroup entities.

Consistent with the strategic reconfiguration of Citi's balance sheet, the build-up of liquidity resources and the shift in focus on increasing structural liabilities, Citigroup entered 2010 with much of its required long-term debt funding already in place. As a consequence, it is currently expected that the direct long-term funding requirements for Citigroup and CFI in 2010 will be an aggregate of $15 billion, which is well below the $39 billion of expected maturities. This $15 billion includes the approximately $2.3 billion of trust preferred securities that were issued by Citi during the first quarter of 2010.

Parameters for Intercompany Funding Transfers

In general, Citigroup, as the parent holding company, can freely transfer funding to other affiliated entities. Broker-dealer subsidiaries can transfer excess liquidity to the parent holding company through termination of intercompany borrowings and to the parent and other affiliates to the extent of its excess capital.

Some of Citigroup's non-bank subsidiaries have credit facilities with Citigroup's subsidiary depository institutions, including Citibank, N.A. Borrowings under these facilities must be secured in accordance with Section 23A of the Federal Reserve Act. As of March 31, 2010, the amount available for lending under these facilities was approximately $32 billion. There are various legal restrictions on the extent to which Citi's subsidiary depository institutions can lend or extend credit to or engage in certain other transactions with Citigroup and certain of its non-bank subsidiaries. In general, transactions must be on arm's-length terms and be secured by designated amounts of specified collateral. See Note 12 to the Consolidated Financial Statements.

Table of Contents

Credit Ratings

Citigroup's ability to access the capital markets and other sources of funds, as well as the cost of these funds and its ability to maintain certain deposits, is dependent on its credit ratings. The table below indicates the current ratings for Citigroup. As a result of the Citigroup guarantee, changes in ratings for Citigroup Funding Inc. are the same as those of Citigroup.

Citigroup's Debt Ratings as of March 31, 2010

	Citigroup Inc.		Citigroup Funding Inc.		Citibank, N.A.	
	Senior debt	Commercial paper	Senior debt	Commercial paper	Long-term	Short-term
Fitch Ratings	A+	F1+	A+	F1+	A+	F1+
Moody's Investors Service	A3	P-1	A3	P-1	A1	P-1
Standard & Poor's	A	A-1	A	A-1	A+	A-1

On February 9, 2010, S&P affirmed the counterparty credit and debt ratings of Citi. At the same time, S&P revised its outlook on Citi to negative from stable, bringing it in line with many large bank holding companies. This action was the result of S&P's view that there is increased uncertainty about the U.S. government's willingness to provide extraordinary support to a number of systemically important financial institutions. Ratings outlooks from both Moody's and Fitch remain stable. However, continued uncertainty remains for the industry regarding proposed regulatory and legislative changes, and rating agency actions in response to such changes.

Ratings downgrades by Fitch Ratings, Moody's Investors Service or Standard & Poor's could have material impacts on funding and liquidity through cash obligations, reduced funding capacity and due to collateral triggers. Because of the current credit ratings of Citigroup Inc., a one-notch downgrade of its senior debt/long-term rating may or may not impact Citigroup Inc.'s commercial paper/short-term rating by one notch. As of March 31, 2010, Citi currently believes that a one-notch downgrade of both the senior debt/long-term rating of Citigroup Inc. and a one-notch downgrade of Citigroup Inc.'s commercial paper/short-term rating, could likely result in the assumed loss of unsecured commercial paper ($10.8 billion) and tender option bonds funding ($2.5 billion) as well as derivative triggers and additional margin requirements ($1.1 billion). Additionally, other funding sources, such as repurchase agreements and other margin requirements for which there are no explicit triggers, could be adversely affected. The aggregate liquidity resources of Citigroup's parent holding company and broker-dealer stood at $82.3 billion as of March 31, 2010 in part as a contingency for such an event, and a broad range of mitigating actions are currently included in the Citigroup contingency funding plan. These mitigating factors include, but are not limited to, accessing funding capacity from existing clients, diversifying funding sources, adjusting the size of select trading books, and tailoring levels of reverse repurchase agreement lending.

Citi currently believes that a more severe ratings downgrade scenario, such as a two-notch downgrade of the senior debt/long-term rating of Citigroup Inc., accompanied by a one-notch downgrade of Citigroup Inc.'s commercial paper/short-term rating, could result in an additional $1.2 billion in funding requirement in the form of cash obligations and collateral.

Further, as of March 31, 2010, a one-notch downgrade of the senior debt/long-term ratings of Citibank, N.A. could result in an approximate $3.7 billion funding requirement in the form of collateral and cash obligations. Because of the current credit ratings of Citibank, N.A., a one-notch downgrade of its senior debt/long-term rating is unlikely to have any impact on its commercial paper/short-term rating. The significant bank entities, Citibank, N.A., and other bank vehicles have aggregate liquidity resources of $237.6 billion, and have a detailed contingency funding plan that encompasses a broad range of mitigating actions.

OFF-BALANCE-SHEET ARRANGEMENTS

Citigroup and its subsidiaries are involved with several types of off-balance-sheet arrangements, including special purpose entities (SPEs), primarily in connection with securitization activities in *Regional Consumer Banking* and *Institutional Clients Group*. Citigroup and its subsidiaries use SPEs principally to obtain liquidity and favorable capital treatment by securitizing certain of Citigroup's financial assets, assisting clients in securitizing their financial assets and creating investment products for clients. For further information on Citi's securitization activities and involvement in SPEs, see Notes 1 and 14 to the Consolidated Financial Statements.

Table of Contents

MANAGING GLOBAL RISK

Citigroup's risk management framework balances strong corporate oversight with well-defined independent risk management functions for each business and region, as well as cross-business product expertise. The Citigroup risk management framework is described in Citigroup's Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

CREDIT RISK

Loan and Credit Overview

During the first quarter of 2010, Citigroup's aggregate loan portfolio increased by $130.3 billion to $721.8 billion primarily due to the adoption of SFAS 166/167. Excluding the impact of SFAS 166/167, the aggregate loan portfolio decreased by $16.0 billon. Citi's total allowance for loan losses totaled $48.7 billion at March 31, 2010, a coverage ratio of 6.80% of total loans, up from 6.09% at December 31, 2009 and 4.82% in the first quarter 2009.

During the first quarter of 2010, Citigroup recorded a net release of $18 million to its credit reserves compared to a $2.6 billion build in the first quarter of 2009. The release consisted of a net release of $242 million for corporate loans ($180 million release in *ICG* and $62 million release in *SAP*), offset by a net build of $224 million for consumer loans ($386 million build in *LCL,* $25 million build in *SAP,* $180 million release in *RCB,* and a $7 million release in *BAM*).

Net credit losses of $8.4 billion during the first quarter of 2010 decreased $1.4 billion from year-ago levels (on a managed basis). The decrease consisted of a net decrease of $239 million for consumer loans (mainly a $636 million decrease in *LCL* and a $375 million increase in *RCB*) and a decrease of $1.2 billion for corporate loans ($1.2 billion decrease in *SAP*, slightly offset by a $25 million increase in *ICG*).

Consumer non-accrual loans totaled $15.6 billion at March 31, 2010, compared to $18.3 billion at December 31, 2009 and $14.9 billion at March 31, 2009 (prior periods on a managed basis). The consumer loan 90 days or more past due delinquency rate was 4.02% at March 31, 2010, compared to 4.28% at December 31, 2009 and 3.51% at March 31, 2009. During the first quarter of 2010, delinquencies declined in Citi's first and second mortgage portfolios in Citi Holdings, reflecting asset sales, organic improvement, and HAMP mortgage modifications moving to permanent status. The decrease in delinquencies was partially offset by higher delinquencies in the student loan portfolio due to the impact of the adoption of SFAS 166/167. The 30 to 89 days past due delinquency rate was 3.11% at March 31, 2010, compared to 3.46% at December 31, 2009 and 3.38% at March 31, 2009.

Corporate non-accrual loans were $12.9 billion at March 31, 2010, compared to $13.5 billion at December 31, 2009 and $11.2 billion at March 31, 2009. The decrease from the prior quarter is mainly due to loan sales and paydowns, which were partially offset by increases due to weakening of certain specific credits.

See below for Citi's loan and credit accounting policies.

Table of Contents

Loans Outstanding

In millions of dollars at year end	1st Qtr. 2010	4th Qtr. 2009	3rd Qtr. 2009	2nd Qtr. 2009	1st Qtr. 2009
Consumer loans					
In U.S. offices					
Mortgage and real estate(1)	**$ 180,334**	**$ 183,842**	$ 191,748	$ 197,358	$ 201,931
Installment, revolving credit, and other	**69,111**	**58,099**	57,820	61,645	64,359
Cards	**127,818**	**28,951**	36,039	33,750	35,406
Commercial and industrial	**5,386**	**5,640**	5,848	6,016	6,123
Lease financing	**7**	**11**	15	16	19
	$ 382,656	**$ 276,543**	$ 291,470	$ 298,785	$ 307,838
In offices outside the U.S.					
Mortgage and real estate(1)	**$ 49,421**	**$ 47,297**	$ 47,568	$ 45,986	$ 42,580
Installment, revolving credit, and other	**44,541**	**42,805**	45,004	45,556	47,498
Cards	**38,191**	**41,493**	41,443	42,262	39,347
Commercial and industrial	**14,828**	**14,780**	14,858	13,858	15,550
Lease financing	**771**	**331**	345	339	288
	$ 147,752	**$ 146,706**	$ 149,218	$ 148,001	$ 145,263
Total consumer loans	**$ 530,408**	**$ 423,249**	$ 440,688	$ 446,786	$ 453,101
Unearned income	**1,061**	**808**	803	866	862
Consumer loans, net of unearned income	**$ 531,469**	**$ 424,057**	$ 441,491	$ 447,652	$ 453,963
Corporate loans					
In U.S. offices					
Commercial and industrial	**$ 15,558**	**$ 15,614**	$ 19,692	$ 26,125	$ 22,020
Loans to financial institutions	**31,279**	**6,947**	7,666	8,181	9,232
Mortgage and real estate(1)	**21,283**	**22,560**	23,221	23,862	29,486
Installment, revolving credit, and other	**15,792**	**17,737**	17,734	19,856	26,460
Lease financing	**1,239**	**1,297**	1,275	1,284	1,394
	$ 85,151	**$ 64,155**	$ 69,588	$ 79,308	$ 88,592
In offices outside the U.S.					
Commercial and industrial	**$ 64,903**	**$ 68,467**	$ 73,564	$ 78,512	$ 72,243
Installment, revolving credit, and other	**10,956**	**9,683**	10,949	11,638	18,379
Mortgage and real estate(1)	**9,771**	**9,779**	12,023	11,887	10,422
Loans to financial institutions	**19,003**	**15,113**	16,906	15,856	16,493
Lease financing	**663**	**1,295**	1,462	1,560	1,620
Governments and official institutions	**1,324**	**1,229**	826	713	597
	$ 106,620	**$ 105,566**	$ 115,730	$ 120,166	$ 119,754
Total corporate loans	**$ 191,771**	**$ 169,721**	$ 185,318	$ 199,474	$ 208,346
Unearned income	**(1,436)**	**(2,274)**	(4,598)	(5,436)	(5,017)
Corporate loans, net of unearned income	**$ 190,335**	**$ 167,447**	$ 180,720	$ 194,038	$ 203,329
Total loans net of unearned income	**$ 721,804**	**$ 591,504**	$ 622,211	$ 641,690	$ 657,292
Allowance for loan losses on drawn exposures	**(48,746)**	**(36,033)**	(36,416)	(35,940)	(31,703)

Total loans net of unearned income and allowance for credit losses	**$ 673,058**	**$ 555,471**	$ 585,795	$ 605,750	$ 625,589
Allowance for loan losses as a percentage of total loans net of unearned income(2)	**6.80%**	**6.09%**	5.85%	5.60%	4.82%
Allowance for consumer loan losses as a percentage of total consumer loans net of unearned income(2)	**7.84%**	**6.70%**	6.44%	6.25%	5.29%
Allowance for corporate loan losses as a percentage of total corporate loans net of unearned income(2)	**3.90%**	**4.56%**	4.42%	4.11%	3.77%

(1) Loans secured primarily by real estate.

(2) First quarter 2010 excludes loans which are carried at fair value.

Included in the loan table above are lending products whose terms may give rise to additional credit issues. Credit cards with below-market introductory interest rates, multiple loans supported by the same collateral (e.g., home equity loans), and interest-only loans are examples of such products. However, these products are not material to Citigroup's financial position and are closely managed via credit controls that mitigate their additional inherent risk.

Impaired loans are those where Citigroup believes it is probable that it will not collect all amounts due according to the original contractual terms of the loan. Impaired loans include corporate non-accrual loans as well as smaller-balance homogeneous loans whose terms have been modified due to the borrower's financial difficulties and Citigroup granted a concession to the borrower. Such modifications may include interest rate reductions and/or principal forgiveness. Valuation allowances for these loans are estimated considering all available evidence including, as appropriate, the present value of the expected future cash flows discounted at the loan's original contractual effective rate, the secondary market value of the loan and the fair value of collateral less disposal costs. These totals exclude smaller-balance homogeneous loans that

Table of Contents

have not been modified and are carried on a non-accrual basis, as well as substantially all loans modified for periods of 12 months or less.

At March 31, 2010, loans included in those short-term programs amounted to $7.9 billion.

The following table presents information about impaired loans:

In millions of dollars at year end	March 31, 2010	December 31, 2009
Non-accrual corporate loans		
Commercial and industrial	$ 6,776	$ 6,347
Loans to financial institutions	1,044	1,794
Mortgage and real estate	3,406	4,051
Lease financing	59	
Other	1,647	1,287
Total non-accrual corporate loans	$ 12,932	$ 13,479
Impaired consumer loans(1)		
Mortgage and real estate	$ 14,136	$ 10,629
Installment and other	4,578	3,853
Cards	5,026	2,453
Total impaired consumer loans	$ 23,740	$ 16,935
Total(2)	$ 36,672	$ 30,414
Non-accrual corporate loans with valuation allowances	$ 8,626	$ 8,578
Impaired consumer loans with valuation allowances	23,042	16,453
Non-accrual corporate valuation allowance	$ 2,569	$ 2,480
Impaired consumer valuation allowance	7,157	4,977
Total valuation allowances(3)	$ 9,726	$ 7,457

(1) Prior to 2008, Citi's financial accounting systems did not separately track impaired smaller-balance, homogeneous consumer loans whose terms were modified due to the borrowers' financial difficulties and it was determined that a concession was granted to the borrower. Smaller-balance consumer loans modified since January 1, 2008 amounted to $22.6 billion and $15.9 billion at March 31, 2010 and December 31, 2009, respectively. However, information derived from Citi's risk management systems indicates that the amounts of outstanding modified loans, including those modified prior to 2008, approximated $24.6 billion and $18.1 billion at March 31, 2010 and December 31, 2009, respectively.

(2) Excludes loans purchased for investment purposes.

(3) Included in the *Allowance for loan losses*.

Loan Accounting Policies

The following are Citigroup's accounting policies for Loans, Allowance for Loan Losses and related lending activities.

Loans

Loans are reported at their outstanding principal balances net of any unearned income and unamortized deferred fees and costs except that credit card receivable balances also include accrued interest and fees. Loan origination fees and certain direct origination costs are generally deferred and recognized as adjustments to income over the lives of the related loans.

As described in Note 17 to the Consolidated Financial Statements, Citi has elected fair value accounting for certain loans. Such loans are carried at fair value with changes in fair value reported in earnings. Interest income on such loans is recorded in *Interest revenue* at the contractually specified rate.

Loans for which the fair value option has not been elected are classified upon origination or acquisition as either held-for-investment or held-for-sale. This classification is based on management's initial intent and ability with regard to those loans.

Loans that are held-for-investment are classified as *Loans, net of unearned income* on the Consolidated Balance Sheet, and the related cash flows are included within the cash flows from investing activities category in the Consolidated Statement of Cash Flows on the line *Change in loans*. However, when the initial intent for holding a loan has changed from held-for-investment to held-for-sale, the loan is reclassified to held-for-sale, but the related cash flows continue to be reported in cash flows from investing activities in the Consolidated Statement of Cash Flows on the line *Proceeds from sales and securitizations of loans*.

Substantially all of the consumer loans sold or securitized by Citigroup are U.S. prime residential mortgage loans or U.S. credit card receivables. The practice of the U.S. prime mortgage business has been to sell all of its loans except for non-conforming adjustable rate loans. U.S. prime mortgage conforming loans are classified as held-for-sale at the time of origination. The related cash flows are classified in the Consolidated Statement of Cash Flows in the cash flows from operating activities category on the line *Change in loans held-for-sale*.

Prior to 2010, U.S. credit card receivables were classified at origination as loans-held-for-sale to the extent that management did not have the intent to hold the receivables for the foreseeable future or until maturity. Prior to 2010, the U.S. credit card securitization forecast for the three months following the latest balance sheet date, excluding replenishments, was the basis for the amount of such loans classified as held-for-sale. Cash flows related to U.S. credit card loans classified as held-for-sale at origination or acquisition are reported in the cash flows from operating activities category on the line *Change in loans held-for-sale*.

Table of Contents

Consumer loans

Consumer loans represent loans and leases managed primarily by the *Regional Consumer Banking* and *Local Consumer Lending* businesses. As a general rule, interest accrual ceases for installment and real estate (both open- and closed-end) loans when payments are 90 days contractually past due. For credit cards and unsecured revolving loans, however, Citi generally accrues interest until payments are 180 days past due. Loans that have been modified to grant a short-term or long-term concession to a borrower who is in financial difficulty may not be accruing interest at the time of the modification. The policy for returning such modified loans to accrual status varies by product and/or region. In most cases, a minimum number of payments (ranging from one to six) are required, while in other cases the loan is never returned to accrual status.

Citi's charge-off policies follow the general guidelines below:

- Unsecured installment loans are charged off at 120 days past due.

- Unsecured revolving loans and credit card loans are charged off at 180 days contractually past due.

- Loans secured with non-real estate collateral are written down to the estimated value of the collateral, less costs to sell, at 120 days past due.

- Real estate-secured loans are written down to the estimated value of the property, less costs to sell, at 180 days contractually past due.

- Non-bank loans secured by real estate are written down to the estimated value of the property, less costs to sell, at the earlier of the receipt of title or 12 months in foreclosure (a process that must commence when payments are 120 days contractually past due).

- Non-bank auto loans are written down to the estimated value of the collateral, less costs to sell, at repossession or, if repossession is not pursued, no later than 180 days contractually past due.

- Non-bank unsecured personal loans are charged off when the loan is 180 days contractually past due if there have been no payments within the last six months, but in no event can these loans exceed 360 days contractually past due.

- Unsecured loans in bankruptcy are charged off within 30 days of notification of filing by the bankruptcy court or within the contractual write-off periods, whichever occurs earlier.

- Real estate-secured loans in bankruptcy are written down to the estimated value of the property, less costs to sell, 60 days after notification if the borrower is 60 days contractually past due.

- Non-bank unsecured personal loans in bankruptcy are charged off when they are 30 days contractually past due.

Corporate loans

Corporate loans represent loans and leases managed by *ICG* or the *Special Asset Pool*. Corporate loans are identified as impaired and placed on a cash (non-accrual) basis when it is determined that the payment of interest or principal is doubtful or when interest or principal is 90 days past due, except when the loan is well-collateralized and in the process of collection. Any interest accrued on impaired corporate loans and leases is reversed at 90 days and charged against current earnings, and interest is thereafter included in earnings only to the extent actually

received in cash. When there is doubt regarding the ultimate collectability of principal, all cash receipts are thereafter applied to reduce the recorded investment in the loan.

Impaired corporate loans and leases are written down to the extent that principal is judged to be uncollectible. Impaired collateral-dependent loans and leases, where repayment is expected to be provided solely by the sale of the underlying collateral and there are no other available and reliable sources of repayment, are written down to the lower of cost or collateral value. Cash-basis loans are returned to an accrual status when all contractual principal and interest amounts are reasonably assured of repayment and there is a sustained period of repayment performance in accordance with the contractual terms.

Loans Held-for-Sale

Corporate and consumer loans that have been identified for sale are classified as loans held-for-sale included in *Other assets*. With the exception of certain mortgage loans for which the fair value option has been elected, these loans are accounted for at the lower of cost or market value (LOCOM), with any write-downs or subsequent recoveries charged to *Other revenue*.

Allowance for Loan Losses

Allowance for loan losses represents management's best estimate of probable losses inherent in the portfolio, as well as probable losses related to large individually evaluated impaired loans and troubled debt restructurings. Attribution of the allowance is made for analytical purposes only, and the entire allowance is available to absorb probable credit losses inherent in the overall portfolio. Additions to the allowance are made through the provision for credit losses. Credit losses are deducted from the allowance, and subsequent recoveries are added. Securities received in exchange for loan claims in debt restructurings are initially recorded at fair value, with any gain or loss reflected as a recovery or charge-off to the allowance, and are subsequently accounted for as securities available-for-sale.

Table of Contents

Corporate loans

In the Corporate portfolios, the allowance for loan losses includes an asset-specific component and a statistically-based component. The asset specific component is calculated under ASC 310-10-35, *Receivables Subsequent Measurement* (formerly SFAS 114) on an individual basis for larger-balance, non-homogeneous loans, which are considered impaired. An asset-specific allowance is established when the discounted cash flows, collateral value (less disposal costs), or observable market price of the impaired loan is lower than its carrying value. This allowance considers the borrower's overall financial condition, resources, and payment record, the prospects for support from any financially responsible guarantors and, if appropriate, the realizable value of any collateral. The asset specific component of the allowance for smaller balance impaired loans is calculated on a pool basis considering historical loss experience. The allowance for the remainder of the loan portfolio is calculated under ASC 450, *Contingencies* (formerly SFAS 5) using a statistical methodology, supplemented by management judgment. The statistical analysis considers the portfolio's size, remaining tenor, and credit quality as measured by internal risk ratings assigned to individual credit facilities, which reflect probability of default and loss given default. The statistical analysis considers historical default rates and historical loss severity in the event of default, including historical average levels and historical variability. The result is an estimated range for inherent losses. The best estimate within the range is then determined by management's quantitative and qualitative assessment of current conditions, including general economic conditions, specific industry and geographic trends, and internal factors including portfolio concentrations, trends in internal credit quality indicators, and current and past underwriting standards.

Consumer loans

For *Consumer loans*, each portfolio of smaller-balance, homogeneous loans including consumer mortgage, installment, revolving credit, and most other consumer loans is independently evaluated for impairment. The allowance for loan losses attributed to these loans is established via a process that estimates the probable losses inherent in the specific portfolio based upon various analyses. These include migration analysis, in which historical delinquency and credit loss experience is applied to the current aging of the portfolio, together with analyses that reflect current trends and conditions.

Management also considers overall portfolio indicators, including historical credit losses, delinquent, non-performing, and classified loans, trends in volumes and terms of loans, an evaluation of overall credit quality, the credit process, including lending policies and procedures, and economic, geographical, product and other environmental factors. In addition, valuation allowances are determined for impaired smaller-balance homogeneous loans whose terms have been modified due to the borrowers' financial difficulties and where it has been determined that a concession was granted to the borrower. Such modifications may include interest rate reductions, principal forgiveness and/or term extensions. Where long-term concessions have been granted, such modifications are accounted for as "troubled debt restructurings" (TDRs). The allowance for loan losses for TDRs is determined in accordance with ASC-310-10-35 by comparing expected cash flows of the loans discounted at the loans' original effective interest rates to the carrying value of the loans. Where short-term concessions have been granted, the allowance for loan losses is materially consistent with the requirements of ASC-310-10-35.

Reserve Estimates and Policies

Management provides reserves for an estimate of probable losses inherent in the funded loan portfolio on the balance sheet in the form of an allowance for loan losses. These reserves are established in accordance with Citigroup's Credit Reserve Policies, as approved by the Audit Committee of the Board of Directors. Citi's Chief Risk Officer and Chief Financial Officer review the adequacy of the credit loss reserves each quarter with representatives from the Risk Management and Finance staffs for each applicable business area.

The above-mentioned representatives covering the business areas having classifiably managed portfolios, where internal credit-risk ratings are assigned (primarily *ICG, Regional Consumer Banking* and *Local Consumer Lending*), or modified consumer loans, where concessions were granted due to the borrowers' financial difficulties present recommended reserve balances for their funded and unfunded lending portfolios along with supporting quantitative and qualitative data. The quantitative data include:

> *Estimated probable losses for non-performing, non-homogeneous exposures within a business line's classifiably managed portfolio and impaired smaller-balance homogeneous loans whose terms have been modified due to the borrowers' financial difficulties, and it was determined that a concession was granted to the borrower.* Consideration may be given to the following, as appropriate, when determining this estimate: (i) the present value of expected future cash flows discounted at the loan's original effective rate; (ii) the borrower's overall financial condition, resources and payment record; and (iii) the prospects for support from financially responsible guarantors or the realizable value of any collateral. When impairment is measured based on the present value of expected future cash flows, the entire change in present value is recorded in the *Provision for loan losses*.

Statistically calculated losses inherent in the classifiably managed portfolio for performing and de minimis non-performing exposures. The calculation is based upon: (i) Citigroup's internal system of credit-risk ratings, which are analogous to the risk ratings of the major rating agencies; and (ii) historical default and loss data, including rating-agency information regarding default rates from 1983 to 2008, and internal data dating to the early 1970s on severity of losses in the event of default.

Additional adjustments include: (i) statistically calculated estimates to cover the historical fluctuation of the default rates over the credit cycle, the historical variability of loss severity among defaulted loans, and the degree to which there are large obligor concentrations in the global portfolio; and (ii) adjustments made for specifically known items, such as current environmental factors and credit trends.

Table of Contents

In addition, representatives from both the Risk Management and Finance staffs that cover business areas that have delinquency-managed portfolios containing smaller homogeneous loans present their recommended reserve balances based upon leading credit indicators, including loan delinquencies and changes in portfolio size as well as economic trends including housing prices, unemployment and GDP. This methodology is applied separately for each individual product within each different geographic region in which these portfolios exist.

This evaluation process is subject to numerous estimates and judgments. The frequency of default, risk ratings, loss recovery rates, the size and diversity of individual large credits, and the ability of borrowers with foreign currency obligations to obtain the foreign currency necessary for orderly debt servicing, among other things, are all taken into account during this review. Changes in these estimates could have a direct impact on the credit costs in any quarter and could result in a change in the allowance. Changes to the reserve flow through the Consolidated Statement of Income on the line *Provision for loan losses.*

Allowance for Unfunded Lending Commitments

A similar approach to the allowance for loan losses is used for calculating a reserve for the expected losses related to unfunded loan commitments and standby letters of credit. This reserve is classified on the balance sheet in *Other liabilities*. Changes to the allowance for unfunded lending commitments flow through the Consolidated Statement of Income on the line *Provision for unfunded lending commitments*.

Table of Contents

Details of Credit Loss Experience

In millions of dollars	1st Qtr. 2010	4th Qtr. 2009	3rd Qtr. 2009	2nd Qtr. 2009	1st Qtr. 2009
Allowance for loan losses at beginning of period	**$ 36,033**	$ 36,416	$ 35,940	$ 31,703	$ 29,616
Provision for loan losses					
Consumer	**$ 8,244**	$ 7,077	$ 7,321	$ 10,010	$ 8,010
Corporate	**122**	764	1,450	2,223	1,905
	$ 8,366	$ 7,841	$ 8,771	$ 12,233	$ 9,915
Gross credit losses					
Consumer					
In U.S. offices	**$ 6,942**	$ 4,360	$ 4,459	$ 4,694	$ 4,124
In offices outside the U.S.	**1,797**	2,187	2,406	2,305	1,936
Corporate					
In U.S. offices	**404**	478	1,101	1,216	1,176
In offices outside the U.S.	**155**	877	483	558	424
	$ 9,298	$ 7,902	$ 8,449	$ 8,773	$ 7,660
Credit recoveries					
Consumer					
In U.S. offices	**$ 419**	$ 160	$ 149	$ 131	$ 136
In offices outside the U.S.	**300**	327	288	261	213
Corporate					
In U.S. offices	**177**	246	30	4	1
In offices outside the U.S.	**18**	34	13	22	28
	$ 914	$ 767	$ 480	$ 418	$ 378
Net credit losses					
In U.S. offices	**$ 6,750**	$ 4,432	$ 5,381	$ 5,775	$ 5,163
In offices outside the U.S.	**1,634**	2,703	2,588	2,580	2,119
Total	**$ 8,384**	$ 7,135	$ 7,969	$ 8,355	$ 7,282
Other net(1)(2)(3)(4)(5)	**$ 12,731**	$ (1,089)	$ (326)	$ 359	$ (546)
Allowance for loan losses at end of period(6)	**$ 48,746**	$ 36,033	$ 36,416	$ 35,940	$ 31,703
Allowance for loan losses as a % of total loans	**6.80%**	6.09%	5.85%	5.60%	4.82%
Allowance for unfunded lending commitments(7)	**$ 1,122**	$ 1,157	$ 1,074	$ 1,082	$ 947
Total allowance for loan losses and unfunded lending commitments	**$ 49,868**	$ 37,190	$ 37,490	$ 37,022	$ 32,650
Net consumer credit losses	**$ 8,020**	$ 6,060	$ 6,428	$ 6,607	$ 5,711
As a percentage of average consumer loans	**6.04%**	5.43%	5.66%	5.88%	4.95%
Net corporate credit losses	**$ 364**	$ 1,075	$ 1,541	$ 1,748	$ 1,571
As a percentage of average corporate loans	**0.19%**	0.61%	0.82%	0.89%	0.79%
Allowance for loan losses at end of period(8)					

Citicorp	**$**	**18,503**	$	10,731	$	10,956	$	10,676	$	9,088
Citi Holdings		**30,243**		25,302		25,460		25,264		22,615
Total Citigroup	**$**	**48,476**	$	36,033	$	36,416	$	35,940	$	31,703
Allowance by type										
Consumer(9)	**$**	**41,422**	$	28,397	$	28,420	$	27,969	$	24,036
Corporate		**7,324**		7,636		7,996		7,971		7,667
Total Citigroup	**$**	**48,746**	$	36,033	$	36,416	$	35,940	$	31,703

(1) The first quarter of 2010 primarily includes $13.4 billion related to the impact of consolidating entities in connection with Citi's adoption of SFAS 166/167 as of January 1, 2010 and reductions of approximately $640 million related to the sale or transfer to held-for-sale of U.S. and U.K. real estate lending loans.

(2) The fourth quarter of 2009 includes a reduction of approximately $335 million related to securitizations and approximately $400 million related to the sale or transfer to held-for-sale of U.S. real estate lending loans.

(3) The third quarter of 2009 primarily includes a reduction to the credit loss reserves of $562 million related to the transfer of the U.K. Cards portfolio to held-for-sale partially offset by increases related to FX translation.

(4) The second quarter of 2009 primarily includes increases to the credit loss reserves primarily related to FX translation.

(5) The first quarter of 2009 primarily includes reductions to the credit loss reserves of $213 million related to securitizations and reductions of approximately $320 million primarily related to FX translation.

(6) Included in the allowance for loan losses are reserves for loans which have been subject to troubled debt restructurings (TDRs) of $6,926 million, $4,819 million, $4,587 million, $3,810 million and $2,760 million as of March 31, 2010, December 31, 2009, September 30, 2009, June 30, 2009 and March 31, 2009, respectively.

(7) Represents additional credit loss reserves for unfunded corporate lending commitments and letters of credit recorded in *Other Liabilities* on the Consolidated Balance Sheet.

(8) Allowance for loan losses represents management's best estimate of probable losses inherent in the portfolio, as well as probable losses related to large individually evaluated impaired loans and troubled debt restructurings. Attribution of the allowance is made for analytical purposes only, and the entire allowance is available to absorb probable credit losses inherent in the overall portfolio.

(9) Included in the first quarter of 2010 consumer loan loss reserve is $21.7 billion related to Citi's global credit card portfolio and reflects the adoption of SFAS 166/167 as of January 1, 2010. See discussion on page 3 and Note 1 to the Consolidated Financial Statements.

Table of Contents

Non-Accrual Assets

The table below summarizes Citigroup's view of non-accrual loans as of the periods indicated. Non-accrual loans are loans in which the borrower has fallen behind in interest payments or, for corporate loans, where Citi has determined that the payment of interest or principal is doubtful, and which are therefore considered impaired. As discussed under "Loan Accounting Policies" above, in situations where Citi reasonably expects that only a portion of the principal and interest owed will ultimately be collected, all payments received are reflected as a reduction of principal and not as interest income. There is no industry-wide definition of non-accrual assets, however, and as such, analysis across the industry is not always comparable.

Corporate non-accrual loans may still be current on interest payments. Consistent with industry conventions, Citi generally accrues interest on credit card loans until such loans are charged-off, which typically occurs at 180 days' contractual delinquency. As such, the non-accrual loan disclosures in this section do not include credit card loans.

Non-accrual loans

In millions of dollars	**1st Qtr. 2010**	**4th Qtr. 2009**	**3rd Qtr. 2009**	**2nd Qtr. 2009**	**1st Qtr. 2009**
Citicorp	**$ 5,024**	$ 5,353	$ 5,507	$ 5,395	$ 3,951
Citi Holdings	**23,544**	26,387	27,177	22,851	22,160
Total non-accrual loans (NAL)	**$ 28,568**	$ 31,740	$ 32,684	$ 28,246	$ 26,111
Corporate non-accrual loans(1)					
North America	**$ 5,660**	$ 5,621	$ 5,263	$ 3,499	$ 3,789
EMEA	**5,834**	6,308	7,969	7,690	6,479
Latin America	**608**	569	416	230	300
Asia	**830**	981	1,061	1,056	635
	$ 12,932	$ 13,479	$ 14,709	$ 12,475	$ 11,203
Citicorp	**$ 2,975**	$ 3,238	$ 3,300	$ 3,159	$ 1,935
Citi Holdings	**9,957**	10,241	$ 11,409	$ 9,316	$ 9,268
	$ 12,932	$ 13,479	$ 14,709	$ 12,475	$ 11,203
Consumer non-accrual loans(1)					
North America	**$ 12,966**	$ 15,111	$ 14,609	$ 12,154	$ 11,687
EMEA	**790**	1,159	1,314	1,356	1,128
Latin America	**1,246**	1,340	1,342	1,520	1,338
Asia	**634**	651	710	741	755
	$ 15,636	$ 18,261	$ 17,975	$ 15,771	$ 14,908
Citicorp	**$ 2,049**	$ 2,115	$ 2,207	$ 2,236	$ 2,016
Citi Holdings	**13,587**	16,146	15,768	13,535	12,892
	$ 15,636	$ 18,261	$ 17,975	$ 15,771	$ 14,908

(1) Excludes purchased distressed loans as they are generally accreting interest. The carrying value of these loans was $804 million at March 31, 2010, $920 million at December 31, 2009, $1.267 billion at September 30, 2009, $1.509 billion at June 30, 2009, and $1.328 billion at March 31, 2009.

47

Table of Contents

Non-Accrual Assets (continued)

The table below summarizes Citigroup's other real estate owned (OREO) assets. This represents the carrying value of all property acquired by foreclosure or other legal proceedings when Citi has taken possession of the collateral.

OREO	1st Qtr. 2010	4th Qtr. 2009	3rd Qtr. 2009	2nd Qtr. 2009	1st Qtr. 2009
Citicorp	**$ 881**	$ 874	$ 284	$ 291	$ 307
Citi Holdings	**632**	615	585	664	854
Corporate/Other	**8**	11	15	14	41
Total OREO	**$ 1,521**	$ 1,500	$ 884	$ 969	$ 1,202
North America	**$ 1,291**	$ 1,294	$ 682	$ 789	$ 1,115
EMEA	**134**	121	105	97	65
Latin America	**51**	45	40	29	20
Asia	**45**	40	57	54	2
	$ 1,521	$ 1,500	$ 884	$ 969	$ 1,202
Other repossessed assets(1)	**$ 64**	$ 73	$ 76	$ 72	$ 78

(1) Primarily transportation equipment, carried at lower of cost or fair value, less costs to sell.

Non-accrual assets Total Citigroup	1st Qtr. 2010	4th Qtr. 2009	3rd Qtr. 2009	2nd Qtr. 2009	1st Qtr. 2009
Corporate non-accrual loans	**$ 12,932**	$ 13,479	$ 14,709	$ 12,475	$ 11,203
Consumer non-accrual loans	**15,636**	18,261	17,975	15,771	14,908
Non-accrual loans (NAL)	**$ 28,568**	$ 31,740	$ 32,684	$ 28,246	$ 26,111
OREO	**$ 1,521**	$ 1,500	$ 884	$ 969	$ 1,202
Other repossessed assets	**64**	73	76	72	78
Non-accrual assets (NAA)	**$ 30,153**	$ 33,313	$ 33,644	$ 29,287	$ 27,391
NAL as a percentage of total loans	**3.96%**	5.37%	5.25%	4.40%	3.97%
NAA as a percentage of total assets	**1.51%**	1.79%	1.78%	1.58%	1.50%
Allowance for loan losses as a percentage of NAL(1)	**171%**	114%	111%	127%	121%

(1) The allowance for loan losses includes the allowance for credit card and purchased distressed loans, while the non-accrual loans exclude credit card balances and purchased distressed loans as these generally continue to accrue interest until write-off.

Non-accrual assets Total Citicorp	1st Qtr. 2010	4th Qtr. 2009	3rd Qtr. 2009	2nd Qtr. 2009	1st Qtr. 2009
Non-accrual loans (NAL)	**$ 5,024**	$ 5,353	$ 5,507	$ 5,395	$ 3,951
OREO	**881**	874	284	291	307
Other repossessed assets	**N/A**	N/A	N/A	N/A	N/A
Non-accrual assets (NAA)	**$ 5,905**	$ 6,227	$ 5,791	$ 5,686	$ 4,258

NAA as a percentage of total assets	**0.48%**	0.55%	0.54%	0.54%	0.42%
Allowance for loan losses as a percentage of NAL(1)	**368%**	200%	199%	198%	230%
Non-accrual assets Total Citi Holdings					
Non-accrual loans (NAL)	**$ 23,544**	$ 26,387	$ 27,177	$ 22,851	$ 22,160
OREO	**632**	615	585	664	854
Other repossessed assets	**N/A**	N/A	N/A	N/A	N/A
Non-accrual assets (NAA)	**$ 24,176**	$ 27,002	$ 27,762	$ 23,515	$ 23,014
NAA as a percentage of total assets	**4.81%**	5.54%	4.99%	4.04%	3.84%
Allowance for loan losses as a percentage of NAL(1)	**128%**	96%	94%	111%	102%

(1) The allowance for loan losses includes the allowance for credit card ($21.7 billion at March 31, 2010) and purchased distressed loans, while the non-accrual loans exclude credit card balances and purchased distressed loans as these generally continue to accrue interest until write-off.

N/A Not available at the Citicorp or Citi Holdings level.

Renegotiated Loans

In millions of dollars at year end	**1st Qtr. 2010**	**4th Qtr. 2009**
Renegotiated loans(1)(2)		
In U.S. offices	**$ 19,064**	$ 13,421
In offices outside the U.S.	**3,919**	3,643
	$ 22,983	$ 17,064

(1) Smaller-balance, homogeneous renegotiated loans were derived from Citi's risk management systems.

(2) Also includes Corporate and Commercial Business loans.

Representations and Warranties

When selling a loan, Citi makes various representations and warranties. In the event of a breach of these representations and warranties, Citi may be required to either repurchase the mortgage loans (generally at unpaid principal balance plus accrued interest), with the identified defects, or indemnify ("make whole") the investor or insurer. Citigroup's repurchases are primarily from Government Sponsored Entities. The specific representations and warranties made by Citi depend on the nature of the transaction and the requirements of the buyer. Market conditions and credit-ratings agency requirements may also affect representations and warranties and the other provisions Citi may agree to in loan sales. Citi has recorded a repurchase reserve that is included in *Other liabilities* in the Consolidated Balance Sheet. In the case of a repurchase, Citi will bear any subsequent credit loss on the mortgage loans.

Citi's representations and warranties are generally not subject to stated limits in amount or time of coverage. However, contractual liability arises only when the representations and warranties are breached and generally only when a loss results from the breach. In the case of a repurchase, the loan is typically considered a credit-impaired loan and accounted for under SOP 03-3, "Accounting for Certain Loans and Debt Securities, Acquired in a Transfer" (now incorporated into ASC 310-30, *Receivables Loans and Debt Securities Acquired with Deteriorated Credit Quality*). These repurchases have not had a material impact on nonperforming loan statistics because credit-impaired purchased SOP 03-3 loans are not included in nonaccrual loans.

In the case of a repurchase of a credit-impaired SOP 03-3 loan, the difference between the loan's fair value and unpaid principal balance at the time of the repurchase is recorded as a utilization of the repurchase reserve. Payments to make the investor whole are also treated as utilizations and charged directly against the reserve. The provision for estimated probable losses arising from loan sales is recorded as an adjustment to the gain on sale, which is included in *Other revenue* in the Consolidated Statement of Income. A liability for representations and warranties is estimated when Citi sells loans and is updated quarterly. Any change in estimate is recorded in *Other revenue* in the Consolidated Statement of Income.

The activity in the repurchase reserve for the quarters ended March 31, 2010 and March 31, 2009 is as follows:

In millions of dollars	**2010**	**2009**
Balance, beginning of period	**$ 482**	$ 75
Additions for new sales	**5**	5
Change in estimate		171
Utilizations	**(37)**	(33)
Balance, end of period	**$ 450**	$ 218

Table of Contents

Consumer Loan Details

Consumer Loan Delinquency Amounts and Ratios

In millions of dollars, except EOP loan amounts in billions	Total loans(6) Mar. 2010	90+ days past due(1) Mar. 2010	Dec. 2009	Mar. 2009	30-89 days past due(1) Mar. 2010	Dec. 2009	Mar. 2009
Citicorp							
Total	**$ 220.8**	**$ 4,005**	$ 4,070	$ 3,939	**$ 4,289**	$ 4,252	$ 4,649
Ratio		**1.81%**	1.81%	1.86%	**1.94%**	1.89%	2.19%
Retail Bank							
Total	**110.6**	**863**	784	700	**1,197**	1,021	1,111
Ratio		**0.78%**	0.73%	0.69%	**1.08%**	0.95%	1.10%
North America	**31.5**	**142**	106	99	**236**	81	92
Ratio		**0.45%**	0.33%	0.29%	**0.75%**	0.25%	0.27%
EMEA	**4.9**	**52**	60	58	**182**	203	213
Ratio		**1.06%**	1.15%	1.06%	**3.71%**	3.90%	3.87%
Latin America	**19.4**	**433**	382	280	**357**	300	290
Ratio		**2.23%**	2.10%	1.82%	**1.84%**	1.65%	1.88%
Asia	**54.8**	**236**	236	263	**422**	437	516
Ratio		**0.43%**	0.46%	0.57%	**0.77%**	0.85%	1.12%
Citi-Branded Cards(2)(3)							
Total	**110.2**	**3,142**	3,286	3,239	**3,092**	3,231	3,538
Ratio		**2.85%**	2.80%	2.92%	**2.81%**	2.75%	3.19%
North America	**77.7**	**2,304**	2,371	2,307	**2,145**	2,182	2,337
Ratio		**2.96%**	2.82%	2.82%	**2.76%**	2.59%	2.86%
EMEA	**2.9**	**77**	85	58	**113**	140	131
Ratio		**2.66%**	2.82%	2.33%	**3.91%**	4.67%	5.24%
Latin America	**12.1**	**497**	553	555	**473**	556	683
Ratio		**4.11%**	4.46%	4.91%	**3.91%**	4.48%	6.04%
Asia	**17.5**	**264**	277	319	**361**	353	387
Ratio		**1.51%**	1.55%	2.07%	**2.06%**	1.97%	2.51%
Citi Holdings Local Consumer Lending							
Total	**308.9**	**16,808**	18,457	15,478	**11,836**	13,945	14,058
Ratio		**5.66%**	6.11%	4.54%	**3.99%**	4.62%	4.12%
International	**27.7**	**953**	1,362	1,380	**1,059**	1,482	1,964
Ratio		**3.44%**	4.22%	3.59%	**3.82%**	4.59%	5.11%
North America retail partners cards(2)(3)	**54.5**	**2,385**	2,681	2,791	**2,374**	2,674	2,826
Ratio		**4.38%**	4.42%	4.36%	**4.36%**	4.41%	4.42%
North America (excluding cards)(4)(5)	**226.7**	**13,470**	14,414	11,307	**8,403**	9,789	9,268
Ratio		**6.27%**	6.89%	4.74%	**3.91%**	4.68%	3.88%
Total Citigroup (excluding *Special Asset Pool*)	**$ 529.7**	**$ 20,813**	$ 22,527	$ 19,417	**$ 16,125**	$ 18,197	$ 18,707
Ratio		**4.02%**	4.28%	3.51%	**3.11%**	3.46%	3.38%

(1) The ratios of 90 days or more past due and 30 to 89 days past due are calculated based on end-of-period loans.

(2) The 90 days or more past due balances for Citi-branded cards and retail partners cards are generally still accruing interest. Citigroup's policy is generally to accrue interest on credit card loans until 180 days past due, unless notification of bankruptcy filing has been

received earlier.

(3)

The above information presents consumer credit information on a managed basis. Citigroup adopted SFAS 166/167 effective January 1, 2010. As a result, beginning in the first quarter of 2010, there is no longer a difference between reported and managed delinquencies. Prior quarters' managed delinquencies are included herein for comparative purposes to the 2010 first quarter delinquencies. Managed basis reporting historically impacted the *North America Regional Consumer Banking* Citi-branded cards and the *Local Consumer Lending* retail partner cards businesses. The historical disclosures reflect the impact from credit card securitizations only. See discussion of adoption of SFAS 166/167 on page 3 and Note 1 to the Consolidated Financial Statements.

(4)

The 90 or more and 30 to 89 days past due and related ratio for *North America LCL* (excluding cards) excludes U.S. mortgage loans that are guaranteed by U.S. government sponsored agencies since the potential loss predominantly resides within the U.S. agencies. The amounts excluded for loans 90 days or more past due and (end-of-period loans) for each period are: $5.2 billion ($9.0 billion), $5.4 billion ($9.0 billion), and $3.6 billion ($7.1 billion) as of March 31, 2010, December 31, 2009 and March 31, 2009, respectively. The amounts excluded for loans 30 to 89 days past due (end-of-period loans have the same adjustment as above) for each period are: $1.2 billion, $1.0 billion, and $0.6 billion, as of March 31, 2010, December 31, 2009 and March 31, 2009, respectively.

(5)

The March 31, 2010 loans 90 days or more past due and 30-89 days or more past due and related ratios for North America (ex Cards) excludes $2.9 billion of loans that are carried at fair value.

(6)

Total loans include interest and fees on credit cards.

Table of Contents

Consumer Loan Net Credit Losses and Ratios

In millions of dollars, except average loan amounts in billions	Average loans(1) 1Q10	Net credit losses(2) 1Q10	4Q09	1Q09
Citicorp				
Total	$ **221.5**	$ **3,040**	$ 1,388	$ 1,174
Add: impact of credit card securitizations(3)			1,727	1,491
Managed NCL		$ **3,040**	$ 3,115	$ 2,665
Ratio		**5.57%**	5.50%	5.06%
Retail Bank				
Total	**109.5**	**289**	409	338
Ratio		**1.07%**	1.49%	1.36%
North America	**32.2**	**73**	88	56
Ratio		**0.94%**	1.04%	0.66%
EMEA	**5.0**	**47**	84	60
Ratio		**3.88%**	5.99%	4.50%
Latin America	**18.5**	**91**	149	112
Ratio		**1.96%**	3.31%	2.96%
Asia	**53.8**	**78**	88	110
Ratio		**0.60%**	0.68%	0.98%
Citi-Branded Cards				
Total	**112.0**	**2,751**	979	836
Add: impact of credit card securitizations(3)			1,727	1,491
Managed NCL		**2,751**	2,706	2,327
Ratio		**9.96%**	9.27%	8.40%
North America	**79.2**	**2,084**	220	201
Add: impact of credit card securitizations(3)			1,727	1,491
Managed NCL		**2,084**	1,947	1,692
Ratio		**10.67%**	9.30%	8.27%
EMEA	**2.9**	**50**	54	29
Ratio		**6.97%**	7.13%	4.68%
Latin America	**12.1**	**418**	476	429
Ratio		**14.03%**	15.37%	15.30%
Asia	**17.8**	**199**	229	177
Ratio		**4.50%**	5.20%	4.60%
Citi Holdings Local Consumer Lending				
Total	**318.0**	**4,938**	4,612	4,517
Add: impact of credit card securitizations(3)			1,118	1,057
Managed NCL		**4,938**	5,730	5,574
Ratio		**6.30%**	7.12%	6.36%
International	**30.0**	**612**	784	818
Ratio		**8.27%**	8.74%	8.44%
North America retail partners cards	**57.1**	**1,932**	845	901
Add: impact of credit card securitizations(3)			1,118	1,057
Managed NCL		**1,932**	1,963	1,958
Ratio		**13.72%**	12.81%	11.98%
North America (excluding cards)	**230.9**	**2,394**	2,983	2,798
Ratio		**4.20%**	5.31%	4.54%
Total Citigroup (excluding *Special Asset Pool*)	$ **539.5**	$ **7,978**	$ 6,000	$ 5,691
Add: impact of credit card securitizations(3)			2,845	2,548
Managed NCL		**7,978**	8,845	8,239
Ratio		**6.00%**	6.45%	5.87%

---

(1)

Average loans include interest and fees on credit cards.

(2) The ratios of net credit losses are calculated based on average loans, net of unearned income.

(3) See page 3 and Note 1 to the Consolidated Financial Statements for a discussion of the impact of SFAS 166/167.

Table of Contents

Consumer Loan Modification Programs

Citigroup has instituted a variety of modification programs to assist borrowers with financial difficulties. These programs include modifying the original loan terms, reducing interest rates, extending the remaining loan duration and/or waiving a portion of the remaining principal balance. At March 31, 2010, Citi's programs consist of the U.S. Treasury's Home Affordable Modification Program (HAMP), as well as short-term forbearance and long-term modification programs, each summarized below.

HAMP. The HAMP is designed to reduce monthly first mortgage payments to a 31% housing debt ratio by lowering the interest rate, extending the term of the loan and forbearing principal of certain eligible borrowers who have defaulted on their mortgages or who are at risk of imminent default due to economic hardship. In order to be entitled to loan modifications, borrowers must complete a three- to five-month trial period, make the agreed payments and provide the required documentation. Beginning March 1, 2010, documentation is required to be provided prior to beginning the trial period, whereas prior to that date, it was required to be provided before the end of the trial period. This change generally means that Citi is able to verify income up front for potential HAMP participants before they begin making lower monthly payments. Citi currently believes this change will limit the number of borrowers who ultimately fall out from the trials and potentially mitigates the impact of HAMP trial participants on early bucket delinquency data.

During the trial period, Citi requires that the original terms of the loans remain in effect pending completion of the modification. As of March 31, 2010, approximately $6.1 billion of first mortgages were enrolled in the HAMP trial period, while $1.5 billion have successfully completed the trial period. Upon completion of the trial period, the terms of the loan are contractually modified, and it is accounted for as a "troubled debt restructuring" (see "Long-term programs" below). For additional information on HAMP, see "U.S. Consumer Mortgage Lending" below.

Citi also recently agreed to participate in the U.S. Treasury's HAMP second mortgage program, which requires Citi to either: (1) modify the borrower's second mortgage according to a defined protocol; or (2) accept a lump sum payment from the U.S. Treasury in exchange for full extinguishment of the second mortgage. For a borrower to qualify, the borrower must have successfully modified his/her first mortgage under the HAMP and met other criteria.

Short-term programs. Citigroup has also instituted interest rate reduction programs (primarily in the U.S.) to assist borrowers experiencing temporary hardships. These programs include short-term (12 months or less) interest rate reductions and deferrals of past due payments. The loan volume under these short-term programs increased significantly during 2009, and loan loss reserves for these loans have been enhanced, giving consideration to the higher risk associated with those borrowers and reflecting the estimated future credit losses for those loans. See "Loan Accounting Policies" above for a further discussion of the allowance for loan losses for such modified loans.

The following table presents the amounts of gross loans modified under short-term interest rate reduction programs in the U.S. (excluding HAMP trial modifications) as of March 31, 2010.

	March 31, 2010	
In millions of dollars	**Accrual**	**Non-accrual**
Mortgage and real estate	$ 2,505	$ 34
Cards	3,800	
Installment and other	1,599	9

Long-term programs. Long-term modification programs or troubled debt restructurings (TDRs) occur when the terms of a loan have been modified due to the borrowers' financial difficulties and a long-term concession has been granted to the borrower. Substantially all programs in place provide permanent interest rate reductions. See "Loan Accounting Policies" above for a discussion of the allowance for loan losses for such modified loans.

The following table presents these TDRs as of March 31, 2010 and December 31, 2009:

	Accrual		**Non-accrual**	
In millions of dollars	**Mar. 31, 2010**	**Dec. 31, 2009**	**Mar. 31, 2010**	**Dec. 31, 2009**
Mortgage and real estate	**$ 11,596**	$ 8,654	**$ 2,007**	$ 1,413
Cards	**5,004**	2,303	**22**	150
Installment and other	**3,515**	3,128	**432**	250

Payment deferrals that do not continue to accrue interest primarily occur in the U.S. residential mortgage business. Other payment deferrals continue to accrue interest and are not deemed to offer concessions to the customer. Other types of concessions are not material.

As discussed in more detail in "U.S. Consumer Mortgage Lending" and "North America Cards" below, the measurement of the success of Citi's loan modification programs varies by program objectives, type of loan, geography, and other factors. Citigroup uses a variety of metrics to evaluate success, including re-default rates and balance reduction trends. These metrics may be compared against the performance of similarly situated customers who did not receive concessions.

Table of Contents

U.S. Consumer Mortgage Lending

Overview

Citi's North America consumer mortgage portfolio consists of both first lien and second lien mortgages. As of March 31, 2010, the first lien mortgage portfolio totaled approximately $116 billion while the second lien mortgage portfolio was approximately $55 billion. Although the majority of the mortgage portfolio is managed by *LCL* within Citi Holdings, there are $19 billion of first lien mortgages and $5 billion of second lien mortgages reported in Citicorp.

Citi's first lien mortgage portfolio includes $9.4 billion of loans with Federal Housing Administration or Veterans Administration guarantees. These portfolios consist of loans originated to low-to-moderate-income borrowers with lower FICO (Fair Isaac Corporation) scores and generally have higher loan-to-value ratios (LTVs). These loans have high delinquency rates but, given the guarantees, Citi has experienced negligible credit losses on these loans. The first lien mortgage portfolio also includes $1.7 billion of loans with LTVs above 80%, which have insurance through private mortgage insurance (PMI) companies, and $3.5 billion of loans subject to Long-Term Standby Commitments[1] with U.S. government sponsored enterprises (GSEs), for which Citi has limited exposure to credit losses.

Citi's second lien mortgage portfolio includes $1.7 billion of loans subject to LTSCs with GSEs, for which Citi has limited exposure to credit losses.

Citi's allowance for loan loss calculations take into consideration the impact of these guarantees.

Consumer Mortgage Quarterly Trends Delinquencies and Net Credit Losses

The following charts detail the quarterly trends in delinquencies and net credit losses for the Citi's first and second North America consumer mortgage portfolios.

In the first mortgage portfolio, both delinquencies and net credit losses are impacted by the HAMP trial loans and the growing backlog of foreclosures in process. The growing amount of foreclosures in process, which is related to an industry-wide phenomenon resulting from foreclosure moratoria and other efforts to prevent or forestall foreclosure, have specific implications on the portfolio:

- It tends to inflate the amount of 180+ day delinquencies in our mortgage statistics.
- It can result in increasing levels of consumer non-accrual loans, as we are unable to take possession of the underlying assets and sell these properties on a timely basis.
- It may have a dampening effect on net interest margin (NIM) as non-accrual assets build on the company's balance sheet.

As discussed in "Consumer Loan Modification Programs" above, Citigroup also offers short-term and long-term real estate loan modification programs. Citi monitors the performance of its real estate loan modification programs by tracking credit loss rates by vintage. At 18 months after modifying an account, in Citi's experience to date, credit loss rates are typically reduced by approximately one-third compared to similar accounts that were not modified.

Currently, Citi's efforts are concentrated on the HAMP. Contractual modifications of loans that successfully completed the HAMP trial period began in September 2009; accordingly, this is the earliest HAMP vintage available for comparison. While still early, and while Citi continues to evaluate the impact of HAMP, Citi's experience to date is that re-default rates are likely to be lower for HAMP modified loans as compared to non-HAMP programs.

As previously disclosed, loans in the HAMP trial modification period that do not make their original contractual payment are reported as delinquent, even if the reduced payments agreed to under the program are made by the borrower. Upon conclusion of the trial period, loans that are not modified permanently are returned to the delinquency status in which they began their trial period, adjusted for the number of payments received during trial period. If the loans are modified permanently, they will be returned to current status.

Citigroup believes that the success rate of the HAMP will be a key factor influencing net credit losses from delinquent first mortgage loans, at least during the first half of 2010, and the outcome of the program will largely depend on the success rates of borrowers completing the trial period and meeting the documentation requirements.

As set forth in the charts below, both first and second mortgages experienced lower net credit losses and lower 90 days or more delinquencies in the first quarter of 2010. Net credit losses on first mortgages declined during the quarter, primarily due to HAMP loan conversions, an improvement in loan loss severity and approximately $1 billion of asset sales during the quarter. As of March 31, 2010, over $2 billion of HAMP trial modifications in Citi's on-balance sheet portfolio were converted to permanent modifications (including $1.5 billion of HAMP modifications).

For second mortgages, the net credit loss decrease during the quarter was driven by roll rate improvement.

---

(1) A Long-Term Standby Commitment (LTSC) is a structured transaction in which Citi transfers the credit risk of certain eligible loans to an investor in exchange for a fee. These loans remain on balance sheet unless they reach a certain delinquency level (between 120 and 180 days), in which case the LTSC investor is required to buy the loan at par.

Table of Contents

Note: Includes loans for Canada and Puerto Rico. Loans 90 days or more past due exclude loans recorded at fair value and U.S. mortgage loans that are guaranteed by U.S. government-sponsored agencies because the potential loss predominately resides with the U.S. agencies.

Note: Includes loans for Canada and Puerto Rico. Loans 90 days or more past due exclude loans recorded at fair value and U.S. mortgage loans that are guaranteed by U.S. government-sponsored agencies because the potential loss predominately resides with the U.S. agencies.

Table of Contents

Consumer Mortgage FICO and LTV

Data appearing in the tables below have been sourced from Citigroup's risk systems and, as such, may not reconcile with disclosures elsewhere generally due to differences in methodology or variations in the manner in which information is captured. Citi has noted such variations in instances where it believes they could be material to reconcile the information presented elsewhere.

Citi's credit risk policy is not to offer option adjustable rate mortgages (ARMs)/negative amortizing mortgage products to its customers. As a result, option ARMs/negative amortizing mortgages represent an insignificant portion of total balances that were acquired only incidentally as part of prior portfolio and business purchases.

A portion of loans in the U.S. consumer mortgage portfolio currently requires a payment to satisfy only the current accrued interest for the payment period, or an interest only payment. Citi's mortgage portfolio includes approximately $29 billion of first and second lien home equity lines of credit (HELOCs) that are still within their revolving period and have not commenced amortization. The interest only payment feature during the revolving period is standard for the HELOC product across the industry. The first mortgage portfolio contains approximately $33 billion of ARMs that are currently required to make an interest only payment. These loans will be required to make a fully amortizing payment upon expiration of their interest only payment period, and most will do so within a few years of origination. Borrowers that are currently required to make an interest only payment cannot select a lower payment that would negatively amortize the loan. First mortgage loans with this payment feature are primarily to high credit quality borrowers that have on average significantly higher refreshed FICO scores than other loans in the first mortgage portfolio.

Loan Balances

First Mortgages Loan Balances. As a consequence of the difficult economic environment and the decrease in housing prices, LTV and FICO scores have deteriorated since origination as depicted in the table below. On a refreshed basis, approximately 28% of first lien mortgages had a LTV ratio above 100%, compared to approximately 0% at origination. Approximately 30% of the first lien mortgages had FICO scores less than 620 on a refreshed basis, compared to 15% at origination.

Balances: March 31, 2010 First Lien Mortgages

At Origination	**FICO≥660**	**620≤FICO<660**	**FICO<620**
LTV ≤ 80%	**59%**	**6%**	**7%**
80% < LTV ≤ 100%	**13%**	**7%**	**8%**
LTV > 100%	**N.M.**	**N.M**	**N.M.**

Refreshed	**FICO≥660**	**620≤FICO<660**	**FICO<620**
LTV ≤ 80%	**28%**	**4%**	**10%**
80% < LTV ≤ 100%	**17%**	**3%**	**10%**
LTV > 100%	**15%**	**3%**	**10%**

Note: N.M. Not meaningful. First lien mortgage table excludes loans in Canada and Puerto Rico. Table excludes loans guaranteed by U.S. government sponsored agencies, loans recorded at fair value and loans subject to LTSCs. Table also excludes $1.8 billion from At Origination balances and $0.6 billion from Refreshed balances for which FICO or LTV data was unavailable. Balances exclude deferred fees/costs Refreshed FICO scores based on updated credit scores obtained from Fair Isaac Corporation. Refreshed LTV ratios are derived from data at origination updated using mainly the Loan Performance Price Index or the Federal Housing Finance Agency Price Index.

Second Mortgages Loan Balances. In the second lien mortgage portfolio, the majority of loans are in the higher FICO categories. The challenging economic conditions have caused a migration towards lower FICO scores and higher LTV ratios. Approximately 48% of that portfolio had refreshed LTVs above 100%, compared to approximately 0% at origination. Approximately 18% of second lien mortgages had FICO scores less than 620 on a refreshed basis, compared to 3% at origination.

Table of Contents

Balances: March 31, 2010 Second Lien Mortgages

At Origination	FICO≥660	620≤FICO<660	FICO<620
LTV ≤ 80%	49%	2%	2%
80% < LTV ≤ 100%	43%	3%	1%
LTV > 100%	N.M.	N.M.	N.M.

Refreshed	FICO≥660	620≤FICO<660	FICO<620
LTV ≤ 80%	22%	1%	3%
80% < LTV ≤ 100%	20%	2%	4%
LTV > 100%	33%	4%	11%

Note: N.M. Not meaningful. Second lien mortgage table excludes loans in Canada and Puerto Rico. Table excludes loans recorded at fair value and loans subject to LTSCs. Table also excludes $1.6 billion from At Origination balances and $0.4 billion from Refreshed balances for which FICO or LTV data was unavailable. Refreshed FICO scores based on updated credit scores obtained from Fair Isaac Corporation. Refreshed LTV ratios are derived from data at origination updated using mainly the Loan Performance Price Index or the Federal Housing Finance Agency Price Index.

Delinquencies

The tables below provide delinquency statistics for loans 90 or more days past due (90+DPD), as a percentage of outstandings in each of the FICO/LTV combinations, in both the first lien and second lien mortgage portfolios. For example, loans with FICO ≥ 660 and LTV ≤ 80% at origination have a 90+DPD rate of 6.9%.

Loans with FICO scores of less than 620 exhibit significantly higher delinquencies than in any other FICO band. Similarly, loans with LTVs greater than 100% have higher delinquencies than LTVs of less than or equal to 100%.

Delinquencies: 90+DPD Rates First Lien Mortgages

At Origination	FICO≥660	620≤FICO<660	FICO<620
LTV ≤ 80%	6.9%	12.5%	13.5%
80% < LTV ≤ 100%	9.5%	15.7%	19.2%
LTV > 100%	N.M.	N.M.	N.M.

Refreshed	FICO≥660	620≤FICO<660	FICO<620
LTV ≤ 80%	0.2%	3.5%	16.9%
80% < LTV ≤ 100%	0.6%	8.5%	25.9%
LTV > 100%	1.7%	20.3%	36.7%

Note: 90+DPD are based on balances referenced in the tables above.

Delinquencies: 90+DPD Rates Second Lien Mortgages

At Origination	FICO≥660	620≤FICO<660	FICO<620
LTV ≤ 80%	1.6%	4.9%	5.5%
80% < LTV ≤ 100%	3.8%	4.9%	7.0%
LTV > 100%	N.M.	N.M.	N.M.

Refreshed	FICO≥660	620≤FICO<660	FICO<620
LTV ≤ 80%	0.0%	1.5%	8.4%
80% < LTV ≤ 100%	0.1%	1.4%	9.5%
LTV > 100%	0.4%	3.6%	17.0%

Note: 90+DPD are based on balances referenced in the tables above.

Origination Channel, Geographic Distribution and Origination Vintage

The following tables detail Citi's first and second lien U.S. consumer mortgage portfolio by origination channels, geographic distribution and origination vintage.

By Origination Channel

Citi's U.S. consumer mortgage portfolio has been originated from three main channels: retail, broker and correspondent.

Retail: loans originated through a direct relationship with the borrower.

Broker: loans originated through a mortgage broker, where Citi underwrites the loan directly with the borrower.

Correspondent: loans originated and funded by a third party, where Citi purchases the closed loans after the correspondent has funded the loan. This channel includes loans acquired in large bulk purchases from other mortgage originators primarily in 2006 and 2007. Such bulk purchases were discontinued in 2007.

First Lien Mortgages: March 31, 2010

As of March 31, 2010, approximately 54% of the first lien mortgage portfolio was originated through third-party channels. Given that loans originated through correspondents have exhibited higher 90+DPD delinquency rates than retail originated mortgages, Citi terminated business with a number of correspondent sellers in 2007 and 2008. During 2008, Citi also severed relationships with a number of brokers, only maintaining those who have produced strong, high-quality and profitable volume.

CHANNEL *($ in billions)*	**First Lien Mortgages**	**Channel % Total**	**90+DPD %**	***FICO < 620**	***LTV > 100%**
Retail	$ 46.6	45.9%	5.4%	$ 14.2	$ 9.2
Broker	$ 17.8	17.6%	9.6%	$ 3.4	$ 6.4
Correspondent	$ 37.2	36.6%	14.8%	$ 13.1	$ 13.4

* Refreshed FICO and LTV.

Note: First lien mortgage table excludes Canada and Puerto Rico, deferred fees/costs, loans recorded at fair value, loans guaranteed by U.S. government sponsored agencies and loans subject to LTSCs.

Table of Contents

Second Lien Mortgages: March 31, 2010

For second lien mortgages, approximately 48% of the loans were originated through third-party channels. As these mortgages have demonstrated a higher incidence of delinquencies, Citi no longer originates second mortgages through third-party channels.

CHANNEL *($ in billions)*	**Second Lien Mortgages**	**Channel % Total**	**90+DPD %**	***FICO < 620**	***LTV > 100%**
Retail	$ 24.5	51.6%	1.7%	$ 3.9	$ 8.0
Broker	$ 11.9	25.0%	3.8%	$ 2.1	$ 7.8
Correspondent	$ 11.1	23.5%	4.4%	$ 2.7	$ 7.0

* Refreshed FICO and LTV.

Note: Excludes Canada and Puerto Rico, loans recorded at fair value and loans subject to LTSCs.

By State

Approximately half of the Citi's U.S. consumer mortgage portfolio is located in five states: California, New York, Florida, Illinois and Texas. Those states represent 50% of first lien mortgages and 55% of second lien mortgages.

Florida and Illinois have above average 90+DPD delinquency rates. Florida has 59% of its first mortgage lien portfolio with refreshed LTV>100%, compared to 29% overall for first lien mortgages. Illinois has 39% of its loan portfolio with refreshed LTV>100%. Texas, despite having 41% of its portfolio with FICO<620, has a lower delinquency rate relative to the overall portfolio. Texas has less than 1% of its loan portfolio with refreshed LTV>100%.

First Lien Mortgages: March 31, 2010

STATES *($ in billions)*	**First Lien Mortgages**	**State % Total**	**90+DPD %**	***FICO < 620**	***LTV > 100%**
California	$ 28.0	27.5%	8.9%	$ 4.6	$ 13.1
New York	$ 8.4	8.2%	6.8%	$ 1.6	$ 0.4
Florida	$ 6.1	6.0%	15.2%	$ 2.3	$ 3.6
Illinois	$ 4.2	4.2%	11.6%	$ 1.4	$ 1.6
Texas	$ 4.1	4.0%	6.2%	$ 1.7	$ 0.0
Others	$ 50.8	50.0%	9.8%	$ 19.2	$ 10.2

* Refreshed FICO and LTV.

Note: First lien mortgage table excludes Canada and Puerto Rico, deferred fees/costs, loans recorded at fair value, loans guaranteed by U.S. government sponsored agencies and loans subject to LTSCs.

In the second lien mortgage portfolio, Florida continues to experience above-average delinquencies, with approximately 76% of their loans with LTV > 100% compared to 48% overall for second lien mortgages.

Second Lien Mortgages: March 31, 2010

STATES *($ in billions)*	**Second Lien Mortgages**	**State % Total**	**90+DPD %**	***FICO < 620**	***LTV > 100%**
California	$ 13.2	27.9%	3.2%	$ 1.9	$ 8.0
New York	$ 6.4	13.6%	2.1%	$ 0.9	$ 1.4
Florida	$ 3.1	6.5%	4.9%	$ 0.7	$ 2.3
Illinois	$ 1.8	3.9%	2.6%	$ 0.4	$ 1.2

Texas	$ 1.3	2.8%	1.4%	$ 0.2	$ 0.0
Others	$ 21.6	45.4%	2.8%	$ 4.7	$ 9.9

* Refreshed FICO and LTV.

Note: Excludes Canada and Puerto Rico, loans recorded at fair value and loans subject to LTSCs.

By Vintage

For Citigroup's combined U.S. consumer mortgage portfolio (first and second lien mortgages), approximately half of the portfolio consists of 2006 and 2007 vintages, which demonstrate above average delinquencies. In first mortgages, approximately 43% of the portfolio is of 2006 and 2007 vintages, which have 90+DPD rates well above the overall portfolio rate. In second mortgages, 62% of the portfolio is of 2006 and 2007 vintages, which again have higher delinquencies compared to the overall portfolio rate.

First Lien Mortgages: March 31, 2010

VINTAGES *($ in billions)*	**First Lien Mortgages**	**Vintage % Total**	**90+DPD %**	***FICO < 620**	***LTV > 100%**
2010	$ 0.4	0.4%	0.2%	$ 0.1	$ 0.0
2009	$ 4.4	4.3%	0.8%	$ 0.6	$ 0.3
2008	$ 13.1	12.9%	5.3%	$ 3.0	$ 2.5
2007	$ 25.6	25.2%	14.8%	$ 9.7	$ 11.4
2006	$ 18.3	18.0%	12.6%	$ 6.0	$ 8.0
2005	$ 17.5	17.3%	7.4%	$ 4.2	$ 5.6
≤ 2004	$ 22.2	21.9%	7.1%	$ 7.1	$ 1.2

* Refreshed FICO and LTV.

Note: First lien mortgage table excludes Canada and Puerto Rico, deferred fees/costs, loans recorded at fair value, loans guaranteed by U.S. government sponsored agencies and loans subject to LTSCs.

Table of Contents

Second Lien Mortgages: March 31, 2010

VINTAGES ($ in billions)	Second Lien Mortgages	Vintage % Total	90+DPD %	*FICO < 620	*LTV > 100%
2010	$ 0.1	0.1%	N.M.	$ 0.0	$ 0.0
2009	$ 0.6	1.3%	0.2%	$ 0.0	$ 0.0
2008	$ 4.2	8.8%	1.2%	$ 0.6	$ 0.9
2007	$ 14.0	29.5%	3.4%	$ 2.9	$ 7.8
2006	$ 15.4	32.4%	3.4%	$ 3.1	$ 9.3
2005	$ 9.1	19.3%	2.6%	$ 1.4	$ 4.2
≤ 2004	$ 4.1	8.7%	1.8%	$ 0.7	$ 0.6

* Refreshed FICO and LTV.

Note: Excludes Canada and Puerto Rico, loans recorded at fair value and loans subject to LTSCs.

North America Cards

Overview

Citi's North America cards portfolio consists of our Citi-branded and retail partner cards portfolios located in Citicorp *Regional Consumer Banking* and Citi Holdings *Local Consumer Lending*, respectively. As of March 31, 2010, the Citi-branded portfolio totaled approximately $78 billion while the retail partner cards portfolio was approximately $55 billion.

The following charts detail the quarterly trends in delinquencies and net credit losses for Citigroup's *North America* Citi-branded and retail partner cards portfolios.

During the first quarter of 2010, Citi continued to see stable to improving trends across both portfolios. In Citi-branded cards, higher delinquencies in the fourth quarter of 2009 created an expected increase in net credit losses in the first quarter of 2010. However, dollar delinquencies declined in the first quarter of 2010. On a percentage basis, delinquencies were up in Citi-branded cards due to declining loan balances. In retail partner cards, net credit losses declined for the third consecutive quarter, driven by loss mitigation efforts and declining loan balances. Delinquencies also improved in the first quarter.

In each of the two portfolios, Citi continues to actively eliminate riskier accounts to mitigate losses. First, higher risk customers have been removed from the portfolio by either reducing available lines of credit or closing accounts. On a net basis, end of period open accounts are down 15% in Citi-branded cards and down 12% in retail partner cards versus prior year levels. In addition, Citi has improved the tools used to identify and manage exposure in each of the portfolios by targeting unique customer attributes.

In Citi's experience to date, these portfolios have significantly different characteristics:

- Citi-branded cards tend to have a longer estimated account life, with higher credit lines and balances reflecting the greater utility of a multi-purpose credit card.
- Retail partner cards tend to have a shorter account life, with smaller credit lines and balances. The account portfolio, by nature, turns faster and the loan balances reflect more recent vintages.

As a result, loss mitigation efforts, such as stricter underwriting standards for new accounts, decreasing higher risk credit lines, closing high risk accounts and re-pricing, tend to affect the retail partner cards portfolio faster than the branded portfolio.

In addition to tightening credit standards, Citi also continues to pursue other loss mitigation efforts, including improvements in collections effectiveness and various modification programs, described below. Citi believes modification programs can help to improve the longer-term quality of these accounts.

Specifically, Citigroup offers both short-term and long-term modification programs to its credit card customers, primarily in the U.S. The short-term U.S. programs provide interest rate reductions for up to 12 months, while the long-term programs provide interest rate reductions for up to five years. In both types of U.S. programs, the annual percentage rate (APR) is typically reduced to below 10%.

Citigroup monitors the performance of these U.S. credit card short-term and long-term modification programs by tracking cumulative loss rates by vintages (when customers enter a program) and comparing that performance with that of similar accounts whose terms were not modified. For example, for U.S. credit cards, in Citi's experience to date, at 24 months after modifying an account, Citi typically reduces credit losses by approximately one-third compared to similar accounts that were not modified. Citi has observed that this improved performance of modified loans relative to those not modified is generally greatest during the first 12 months after modification. Following that period, losses have tended to increase but have typically stabilized at levels which are still below those for similar loans that were not modified, resulting in an improved cumulative loss performance. To date, Citi has tended to see that this benefit is sustained over time across our U.S. credit card portfolios.

Overall, however, Citi remains cautious and currently believes that net credit losses in each of the cards portfolios will continue to remain at elevated levels and will continue to be highly dependent on the external environment and industry changes, including continued implementation of the CARD Act.

Table of Contents

Note: Includes Puerto Rico.

Note: Includes Canada and Puerto Rico. Includes Installment Lending.

Table of Contents

North America Cards FICO Information

As set forth in the table below, approximately 72% of the Citi-branded portfolio had FICO credit scores of at least 660 on a refreshed basis as of March 31, 2010, while 62% of the retail partner cards portfolio had scores above 660.

Balances: March 31, 2010

Refreshed	Citi Branded	Retail Partners
FICO ≥ 660	72%	62%
620 ≤ FICO < 660	11%	13%
FICO < 620	17%	25%

Note: Based on balances of $123 billion. Balances include interest and fees. Excludes Canada, Puerto Rico and Installment and Classified portfolios. Excludes balances where FICO was unavailable ($2.4 billion for Citi-branded, $2.1 billion for retail partner cards).

The table below provides delinquency statistics for loans 90+DPD for both the Citi-branded and retail partner cards portfolios as of March 31, 2010. Given the economic environment, customers have migrated down from higher FICO score ranges, driven by their delinquencies with Citi and/or with other creditors. As these customers roll through the delinquency buckets, they materially damage their credit score and may ultimately go to charge-off. Loans 90+DPD are more likely to be associated with low refreshed FICO scores both because low scores are indicative of repayment risk and because their delinquency has been reported by Citigroup to the credit bureaus. Loans with FICO scores less than 620, which constitute 17% of the Citi-branded portfolio, have a 90+DPD rate of 16.7%; in the retail partner cards portfolio, loans with FICO scores less than 620 constitute 25% of the portfolio and have a 90+DPD rate of 17.4%.

90+DPD Delinquency Rate: March 31, 2010

Refreshed	Citi Branded 90+DPD%	Retail Partners 90+DPD%
FICO ≥ 660	0.1%	0.2%
620 ≤ FICO < 660	0.6%	0.7%
FICO < 620	16.7%	17.4%

Note: Based on balances of $123 billion. Balances include interest and fees. Excludes Canada, Puerto Rico and Installment and Classified portfolios.

U.S. Installment and Other Revolving Loans

In the table below, the U.S. installment portfolio consists of consumer loans in the following businesses: Consumer Finance, Retail Banking, Auto, Student Lending and Cards. Other Revolving consists of consumer loans (Ready Credit and Checking Plus products) in the Consumer Retail Banking business. Commercial-related loans are not included.

As of March 31, 2010, the U.S. Installment portfolio totaled approximately $69 billion, while the U.S. Other Revolving portfolio was approximately $0.9 billion. While substantially all of the U.S. Installment portfolio is managed under *LCL* within Citi Holdings, it does include $0.4 billion of Consumer Retail Banking loans which are reported in Citicorp. The U.S. Other Revolving portfolio is managed under Citicorp. The U.S. Installment portfolio includes approximately $33 billion of Student Loans originated under the Federal Family Education Loan Program (FFELP) where losses are substantially mitigated by federal guarantees if the loans are properly serviced. In addition, there are approximately $6 billion of non-FFELP Student Loans where losses are mitigated by private insurance. These insurance providers insure the Company against a significant portion of losses arising from borrower loan default, bankruptcy or death.

Approximately 39% of the Installment portfolio had FICO credit scores less than 620 on a refreshed basis. Approximately 29% of the Other Revolving portfolio is composed of loans having FICO less than 620.

Balances: March 31, 2010

Refreshed	Installment	Other Revolving
FICO ≥ 660	47%	56%
620 ≤ FICO < 660	14%	15%

FICO < 620	**39%**	**29%**

Note: Based on balances of $67 billion for Installment and $0.8 billion for Other Revolving. Excludes Canada and Puerto Rico. Excludes balances where FICO was unavailable ($1.8 billion for Installment, $0.1 billion for Other Revolving).

The table below provides delinquency statistics for loans 90+DPD for both the Installment and Other Revolving portfolios. Loans 90+DPD are more likely to be associated with low refreshed FICO scores both because low scores are indicative of repayment risk and because their delinquency has been reported by Citigroup to the credit bureaus. On a refreshed basis, loans with FICO scores of less than 620 exhibit significantly higher delinquencies than in any other FICO band and will drive the majority of the losses.

90+DPD Delinquency Rate: March 31, 2010

Refreshed	Installment 90+DPD%	Other Revolving 90+DPD%
FICO ≥ 660	**0.2%**	**0.0%**
620 ≤ FICO < 660	**1.1%**	**0.8%**
FICO < 620	**7.2%**	**8.1%**

Note: Based on balances of $67 billion for Installment and $0.8 billion for Other Revolving. Excludes Canada and Puerto Rico.

Table of Contents

Interest Rate Risk Associated with Consumer Mortgage Lending Activity

Citigroup originates and funds mortgage loans. As with all other lending activity, this exposes Citigroup to several risks, including credit, liquidity and interest rate risks. To manage credit and liquidity risk, Citigroup sells most of the mortgage loans it originates, but retains the servicing rights. These sale transactions create an intangible asset referred to as mortgage servicing rights (MSRs). The fair value of this asset is primarily affected by changes in prepayments that result from shifts in mortgage interest rates. Thus, by retaining the servicing rights of sold mortgage loans, Citigroup is still exposed to interest rate risk.

In managing this risk, Citigroup hedges a significant portion of the value of its MSRs through the use of interest rate derivative contracts, forward purchase commitments of mortgage-backed securities, and purchased securities classified as trading (primarily mortgage-backed securities including principal-only strips).

Since the change in the value of these hedging instruments does not perfectly match the change in the value of the MSRs, Citigroup is still exposed to what is commonly referred to as "basis risk." Citigroup manages this risk by reviewing the mix of the various hedging instruments referred to above on a daily basis.

Citigroup's MSRs totaled $6.439 billion and $6.530 billion at March 31, 2010 and December 31, 2009, respectively. For additional information on Citi's MSRs, see Notes 11 and 14 to the Consolidated Financial Statements.

As part of the mortgage lending activity, Citigroup commonly enters into purchase commitments to fund residential mortgage loans at specific interest rates within a given period of time, generally up to 60 days after the rate has been set. If the resulting loans from these commitments will be classified as loans held-for-sale, Citigroup accounts for the commitments as derivatives. Accordingly, the initial and subsequent changes in the fair value of these commitments, which are driven by changes in mortgage interest rates, are recognized in current earnings after taking into consideration the likelihood that the commitment will be funded.

Citigroup hedges its exposure to the change in the value of these commitments by utilizing hedging instruments similar to those referred to above.

Table of Contents

Corporate Credit Portfolio

The following table presents credit data for Citigroup's corporate loans and unfunded lending commitments at March 31, 2010. The ratings scale is based on Citi's internal risk ratings, which generally correspond to the ratings as defined by S&P and Moody's.

Corporate loans(1)	At March 31, 2010			
in millions of dollars	**Recorded investment in loans(2)**	**% of total(3)**	**Unfunded lending commitments**	**% of total(3)**
Investment grade(4)	**$ 116,320**	**66%**	**$ 238,157**	**87%**
Non-investment grade(4)				
Noncriticized	**21,102**	12	16,220	6
Criticized performing(5)	**24,974**	14	16,934	6
Commercial real estate (CRE)	**5,906**	3	2,335	1
Commercial and Industrial and Other	**19,068**	11	14,599	5
Non-accrual (criticized)(5)	**12,932**	7	3,342	1
CRE	**3,406**	2	1,229	
Commercial and Industrial and Other	**9,526**	5	2,113	1
Total non-investment grade	**$ 59,008**	**34%**	**$ 36,496**	**13%**
Private Banking loans managed on a delinquency basis(4)	**13,986**		2,279	
Loans at fair value	**2,457**			
Total corporate loans	**$ 191,771**		**$ 276,932**	
Unearned income	**(1,436)**			
Corporate loans, net of unearned income	**$ 190,335**		**$ 276,932**	

(1) Includes $1.1 billion of TDRs for which concessions, such as the reduction of interest rates or the deferral of interest or principal payments, have been granted as a result of deterioration in the borrowers' financial condition. Each of the borrowers is current under the restructured terms.

(2) Recorded investment in a loan includes accrued interest, net deferred loan fees and costs, unamortized premium or discount, less any direct write-downs.

(3) Percentages disclosed above exclude Private Banking loans managed on a delinquency basis and loans at fair value.

(4) Held-for-investment loans accounted for on an amortized cost basis.

(5) Criticized exposures correspond to the "Special Mention," "Substandard" and "Doubtful" asset categories defined by banking regulatory authorities.

Table of Contents

The following tables represent the corporate credit portfolio (excluding Private Banking), before consideration of collateral, by maturity at March 31, 2010. The corporate portfolio is broken out by direct outstandings that include drawn loans, overdrafts, interbank placements, bankers' acceptances, certain investment securities and leases and unfunded commitments that include unused commitments to lend, letters of credit and financial guarantees.

	At March 31, 2010			
In billions of dollars	Due within 1 year	Greater than 1 year but within 5 years	Greater than 5 years	Total exposure
Direct outstandings	$ 199	$ 60	$ 7	$ 266
Unfunded lending commitments	157	111	10	278
Total	$ 356	$ 171	$ 17	$ 544

	At December 31, 2009			
In billions of dollars	Due within 1 year	Greater than 1 year but within 5 years	Greater than 5 years	Total exposure
Direct outstandings	$ 213	$ 66	$ 7	$ 286
Unfunded lending commitments	182	120	10	312
Total	$ 395	$ 186	$ 17	$ 598

Portfolio Mix

The corporate credit portfolio is diverse across counterparty and industry, and geography. The following table shows direct outstandings and unfunded commitments by region:

	March 31, 2010	December 31, 2009
North America	**46%**	51%
EMEA	**29**	27
Latin America	**15**	9
Asia	**10**	13
Total	**100%**	100%

The maintenance of accurate and consistent risk ratings across the corporate credit portfolio facilitates the comparison of credit exposure across all lines of business, geographic regions and products.

Obligor risk ratings reflect an estimated probability of default for an obligor and are derived primarily through the use of statistical models (which are validated periodically), external rating agencies (under defined circumstances) or approved scoring methodologies. Facility risk ratings are assigned, using the obligor risk rating, and then factors that affect the loss-given default of the facility, such as support or collateral, are taken into account. With regard to climate change risk, factors evaluated include consideration of the business impact, impact of regulatory requirements, or lack thereof, and impact of physical effects on obligors and their assets.

These factors may adversely affect the ability of some obligors to perform and thus increase the risk of lending activities to these obligors. Citigroup also has incorporated climate risk assessment criteria for certain obligors, as necessary.

Internal obligor ratings equivalent to BBB and above are considered investment grade. Ratings below the equivalent of the BBB category are considered non-investment grade.

The following table presents the corporate credit portfolio by facility risk rating at March 31, 2010 and December 31, 2009, as a percentage of the total portfolio:

	Direct outstandings and unfunded commitments	
	March 31, 2010	**December 31, 2009**
AAA/AA/A	**54%**	**58%**
BBB	**27**	**24**
BB/B	**12**	**11**
CCC or below	**7**	**7**
Unrated		
Total	**100%**	**100%**

The corporate credit portfolio is diversified by industry, with a concentration only in the financial sector, including banks, other financial institutions, insurance companies, investment banks and government and central banks. The following table shows the allocation of direct outstandings and unfunded commitments to industries as a percentage of the total corporate portfolio:

	Direct outstandings and unfunded commitments	
	March 31, 2010	**December 31, 2009**
Government and central banks	**13%**	12%
Banks	**11**	9
Investment banks	**6**	5
Other financial institutions	**5**	12
Utilities	**4**	4
Insurance	**4**	4
Petroleum	**4**	4
Agriculture and food preparation	**4**	4
Telephone and cable	**3**	3
Industrial machinery and equipment	**2**	2
Global information technology	**2**	2
Chemicals	**2**	2
Real estate	**3**	3
Other industries(1)	**37**	34
Total	**100%**	100%

(1) Includes all other industries, none of which exceeds 2% of total outstandings.

Table of Contents

Credit Risk Mitigation

As part of its overall risk management activities, Citigroup uses credit derivatives and other risk mitigants to hedge portions of the credit risk in its portfolio, in addition to outright asset sales. The purpose of these transactions is to transfer credit risk to third parties. The results of the mark-to-market and any realized gains or losses on credit derivatives are reflected in the *Principal transactions* line on the Consolidated Statement of Income.

At March 31, 2010 and December 31, 2009, $53.1 billion and $59.6 billion, respectively, of credit risk exposure were economically hedged. Citigroup's expected loss model used in the calculation of its loan loss reserve does not include the favorable impact of credit derivatives and other risk mitigants. In addition, the reported amounts of direct outstandings and unfunded commitments in this report do not reflect the impact of these hedging transactions. At March 31, 2010 and December 31, 2009, the credit protection was economically hedging underlying credit exposure with the following risk rating distribution, respectively:

Rating of Hedged Exposure

	March 31, 2010	December 31, 2009
AAA/AA/A	**45%**	45%
BBB	**37**	37
BB/B	**12**	11
CCC or below	**6**	7
Total	**100%**	100%

At March 31, 2010 and December 31, 2009, the credit protection was economically hedging underlying credit exposure with the following industry distribution, respectively:

Industry of Hedged Exposure

	March 31, 2010	December 31, 2009
Utilities	**8%**	9%
Telephone and cable	**8**	9
Agriculture and food preparation	**8**	8
Chemicals	**7**	8
Petroleum	**6**	6
Industrial machinery and equipment	**6**	6
Autos	**6**	6
Retail	**5**	4
Insurance	**4**	4
Other financial institutions	**4**	4
Pharmaceuticals	**4**	5
Natural gas distribution	**4**	3
Metals	**4**	4
Global information technology	**3**	3
Other industries(1)	**23**	21
Total	**100%**	100%

(1) Includes all other industries, none of which is greater than 2% of the total hedged amount.

Table of Contents

MARKET RISK

Market risk encompasses liquidity risk and price risk, both of which arise in the normal course of business of a global financial intermediary. Liquidity risk is the risk that an entity may be unable to meet a financial commitment to a customer, creditor, or investor when due. Liquidity risk is discussed in "Capital Resources and Liquidity" above. Price risk is the earnings risk from changes in interest rates, foreign exchange rates, equity and commodity prices, and in their implied volatilities. Price risk arises in non-trading portfolios, as well as in trading portfolios.

Interest Rate Exposure (IRE) for Non-Trading Portfolios

The exposures in the following table represent the approximate annualized risk to net interest revenue (NIR) assuming an unanticipated parallel instantaneous 100 basis points change, as well as a more gradual 100 basis points (25 basis points per quarter) parallel change in rates compared with the market forward interest rates in selected currencies.

	March 31, 2010		December 31, 2009		March 31, 2009	
In millions of dollars	Increase	Decrease	Increase	Decrease	Increase	Decrease
U.S. dollar						
Instantaneous change	**$ (488)**	**NM**	$ (859)	NM	$ (843)	NM
Gradual change	**$ (110)**	**NM**	$ (460)	NM	$ (497)	NM
Mexican peso						
Instantaneous change	**$ 42**	**(42)**	$ 50	$ (50)	$ (20)	$ 20
Gradual change	**$ 21**	**(21)**	$ 26	$ (26)	$ (14)	$ 14
Euro						
Instantaneous change	**$ (56)**	**NM**	$ 85	NM	$ 37	$ (37)
Gradual change	**$ (50)**	**NM**	$ 47	NM	$ 23	$ (23)
Japanese yen						
Instantaneous change	**$ 148**	**NM**	$ 200	NM	$ 194	NM
Gradual change	**$ 97**	**NM**	$ 116	NM	$ 116	NM
Pound sterling						
Instantaneous change	**$ (3)**	**NM**	$ (11)	NM	$ 15	$ (15)
Gradual change	**$ (5)**	**NM**	$ (6)	NM	$ 7	$ (7)

NM Not meaningful. A 100 basis point decrease in interest rates would imply negative rates for the yield curve.

Certain trading-oriented businesses within Citi have accrual-accounted positions. The U.S. dollar IRE associated with these businesses is ($92) million for a 100 basis points instantaneous increase in interest rates. The changes in the U.S. dollar IRE from the previous period reflect changes in the customer-related asset and liability mix, the expected impact of market rates on customer behavior and Citigroup's view of prevailing interest rates.

The following table shows the risk to NIR from six different changes in the implied-forward rates. Each scenario assumes that the rate change will occur on a gradual basis every three months over the course of one year.

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6
Overnight rate change (bps)		**100**	**200**	**(200)**	**(100)**	
10-year rate change (bps)	**(100)**		**100**	**(100)**		**100**
Impact to net interest revenue *(in millions of dollars)*	$ 67	$ (278)	$ (703)	NM	NM	$ 48

NM Not meaningful. A 100 basis point or more decrease in the overnight rate would imply negative rates for the yield curve.

Table of Contents

Value at Risk for Trading Portfolios

For Citigroup's major trading centers, the aggregate pretax value at risk (VAR) in the trading portfolios was $172 million, $205 million, $273 million and $292 million at March 31, 2010, December 31, 2009, September 30, 2009, and March 31, 2009, respectively. Daily Citigroup trading VAR averaged $200 million and ranged from $145 million to $289 million during the first quarter of 2010. The following table summarizes VAR for Citigroup trading portfolios at March 31, 2010, December 31, 2009, September 30, 2009, and March 31, 2009, including the total VAR, the specific risk only component of VAR, and the general market factors only VAR, along with the quarterly averages. Citigroup moved guidelines under SFAS 133 to SFAS 157/159 for mark-to-market trading on February 1, 2010.

In million of dollars	**March 31, 2010**	**First Quarter 2010 Average**	**December 31, 2009**	**Fourth Quarter 2009 Average**	**March 31, 2009**	**First Quarter 2009 Average**
Interest rate	**$ 201**	**$ 193**	$ 192	$ 216	$ 239	$ 272
Foreign exchange	**53**	**51**	45	37	38	73
Equity	**49**	**73**	69	62	144	97
Commodity	**17**	**18**	18	38	33	22
Diversification benefit	**(148)**	**(135)**	(119)	(121)	(162)	(173)
Total All market risk factors, including general and specific risk	**$ 172**	**$ 200**	$ 205	$ 232	$ 292	$ 291
Specific risk only component	**$ 15**	**$ 20**	$ 20	$ 22	$ 14	$ 19
Total General market factors only	**$ 157**	**$ 180**	$ 185	$ 210	$ 278	$ 272

The specific risk only component represents the level of equity and debt issuer-specific risk embedded in VAR.

The table below provides the range of market factor VARs, inclusive of specific risk, across the quarters ended:

	March 31, 2010		**December 31, 2009**		**March 31, 2009**	
In millions of dollars	**Low**	**High**	**Low**	**High**	**Low**	**High**
Interest rate	$ 171	$ 228	$ 185	$ 241	$ 209	$ 320
Foreign exchange	37	78	18	98	29	140
Equity	47	111	46	91	47	167
Commodity	15	20	18	47	12	34

The following table provides the VAR for *S&B* for the first quarter of 2010 and fourth quarter of 2009:

In millions of dollars	**March 31, 2010**	**December 31, 2009**
Total All market risk factors, including general and specific risk	**$ 104**	$ 149
Average during quarter	**144**	174
High during quarter	**235**	206
Low during quarter	**99**	144

Table of Contents

Average Rates Interest Revenue, Interest Expense, and Net Interest Margin

In millions of dollars	1st Qtr. 2010	4th Qtr. 2009	1st Qtr. 2009	Change 1Q10 vs. 1Q09
Interest revenue(1)	**$ 20,852**	$ 17,703	$ 20,583	**1%**
Interest expense(2)	**6,291**	6,542	7,657	**(18)%**
Net interest revenue(1)(2)	**$ 14,561**	$ 11,161	$ 12,926	**13%**
Interest revenue average rate	**4.75%**	4.20%	5.31%	**(56) bps**
Interest expense average rate	**1.60%**	1.75%	2.16%	**(56) bps**
Net interest margin	**3.32%**	2.65%	3.33%	**(1) bps**
Interest-rate benchmarks:				
Federal Funds rate end of period	**0.00-0.25%**	0.00-0.25%	0.00-0.25%	
Federal Funds rate average rate	**0.00-0.25%**	0.00-0.25%	0.00-0.25%	
Two-year U.S. Treasury note average rate	**0.92%**	0.88%	0.90%	**2bps**
10-year U.S. Treasury note average rate	**3.72%**	3.46%	2.74%	**98bps**
10-year vs. two-year spread	**280bps**	258bps	184bps	

(1) Excludes taxable equivalent adjustments (based on the U.S. federal statutory tax rate of 35%) of $135 million, $186 million and $97 million for the first quarter of 2010, the fourth quarter of 2009 and the first quarter of 2009, respectively.

(2) Excludes expenses associated with hybrid financial instruments and beneficial interest in consolidated VIEs. These obligations are classified as *Long-term debt* and accounted for at fair value with changes recorded in *Principal transactions*.

A significant portion of Citi's business activities are based upon gathering deposits and borrowing money and then lending or investing those funds, including market-making activities in tradable securities. Net interest margin (NIM) is calculated by dividing annualized gross interest revenue less gross interest expense by average interest earning assets (which includes non-accrual loans).

NIM increased by 67 basis points during the first quarter of 2010, primarily driven by the adoption of SFAS 166/167. Additionally, the absence of interest on the trust preferred securities repaid in the fourth quarter of 2009 and the deployment of cash into higher-yielding investments favorably impacted NIM during the first quarter.

Table of Contents

AVERAGE BALANCES AND INTEREST RATES ASSETS(1)(2)(3)(4)

In millions of dollars	Average Volume			Interest Revenue			% Average Rate		
	1st Qtr. 2010	4th Qtr. 2009	1st Qtr. 2009	1st Qtr. 2010	4th Qtr. 2009	1st Qtr. 2009	1st Qtr. 2010	4th Qtr. 2009	1st Qtr. 2009
Assets									
Deposits with banks(5)	**$ 166,378**	$ 219,321	$ 169,142	**$ 290**	$ 352	$ 436	**0.71%**	0.64%	1.05%
Federal funds sold and securities borrowed or purchased under agreements to resell(6)									
In U.S. offices	**$ 160,033**	$ 154,035	$ 128,004	**$ 471**	$ 434	$ 550	**1.19%**	1.12%	1.74%
In offices outside the U.S.(5)	**78,052**	71,031	52,431	**281**	243	335	**1.46**	1.36	2.59
Total	**$ 238,085**	$ 225,066	$ 180,435	**$ 752**	$ 677	$ 885	**1.28%**	1.19%	1.99%
Trading account assets(7)(8)									
In U.S. offices	**$ 131,776**	$ 140,299	$ 147,516	**$ 1,069**	$ 1,407	$ 1,984	**3.29%**	3.98%	5.45%
In offices outside the U.S.(5)	**152,403**	147,180	108,451	**803**	790	967	**2.14**	2.13	3.62
Total	**$ 284,179**	$ 287,479	$ 255,967	**$ 1,872**	$ 2,197	$ 2,951	**2.67%**	3.03%	4.68%
Investments									
In U.S. offices									
Taxable	**$ 150,858**	$ 129,925	$ 121,901	**$ 1,389**	$ 1,486	$ 1,480	**3.73%**	4.54%	4.92%
Exempt from U.S. income tax(1)	**15,570**	16,423	14,574	**173**	273	118	**4.51**	6.60	3.28
In offices outside the U.S.(5)	**144,892**	128,160	106,950	**1,547**	1,466	1,578	**4.33**	4.54	5.98
Total	**$ 311,320**	$ 274,508	$ 243,425	**$ 3,109**	$ 3,225	$ 3,176	**4.05%**	4.66%	5.29%
Loans (net of unearned income)(9)									
Consumer loans									
In U.S. offices	**$ 391,753**	$ 291,574	$ 322,986	**$ 9,152**	$ 5,219	$ 6,254	**9.47%**	7.10%	7.85%
In offices outside the U.S.(5)	**146,538**	151,229	149,341	**3,756**	3,856	3,999	**10.40**	10.12	10.86
Total consumer loans	**$ 538,291**	$ 442,803	$ 472,327	**$ 12,908**	$ 9,075	$ 10,253	**9.73%**	8.13%	8.80%
Corporate loans									
In U.S. offices	**$ 87,631**	$ 64,887	$ 80,482	**$ 359**	$ 448	$ 577	**1.66%**	2.74%	2.91%
In offices outside the U.S.(5)	**107,950**	112,448	118,906	**1,406**	1,549	2,025	**5.28**	5.47	6.91

Total corporate loans	**$ 195,581**	$ 177,335	$ 199,388	**$ 1,765**	$ 1,997	$ 2,602	**3.66%**	4.47%	5.29%
Total loans	**$ 733,872**	$ 620,138	$ 671,715	**$ 14,673**	$ 11,072	$ 12,855	**8.11%**	7.08%	7.76%
Other interest-earning Assets	**$ 45,894**	$ 45,912	$ 51,631	**$ 156**	$ 180	$ 280	**1.38%**	1.56%	2.20%
Total interest-earning Assets	**$ 1,779,728**	$ 1,672,424	$ 1,572,315	**$ 20,852**	$ 17,703	$ 20,583	**4.75%**	4.20%	5.31%
Non-interest-earning assets(7)	**233,344**	224,932	315,573						
Total Assets from discontinued operations			20,083						
Total assets	**$ 2,013,072**	$ 1,897,356	$ 1,907,971						

(1) Interest revenue excludes the taxable equivalent adjustments (based on the U.S. federal statutory tax rate of 35%) of $135 million, $186 million and $97 million for the first quarter of 2010, the fourth quarter of 2009 and the first quarter of 2009, respectively.

(2) Interest rates and amounts include the effects of risk management activities associated with the respective asset and liability categories.

(3) Monthly averages have been used by certain subsidiaries where daily averages are unavailable.

(4) Detailed average volume, interest revenue and interest expense exclude discontinued operations.

(5) Average rates reflect prevailing local interest rates, including inflationary effects and monetary correction in certain countries.

(6) Average volumes of securities borrowed or purchased under agreements to resell are reported net pursuant to FIN 41 and Interest revenue excludes the impact of FIN 41.

(7) The fair value carrying amounts of derivative and foreign exchange contracts are reported in non-interest-earning assets and other non-interest-bearing liabilities.

(8) Interest expense on *Trading account liabilities* of *ICG* is reported as a reduction of Interest revenue. Interest revenue and Interest expense on cash collateral positions are reported in *Trading account assets* and *Trading account liabilities*, respectively.

(9) Includes cash-basis loans.

Table of Contents

AVERAGE BALANCES AND INTEREST RATES LIABILITIES AND EQUITY, AND NET INTEREST REVENUE(1)(2)(3)(4)

In millions of dollars	Average Volume 1st Qtr. 2010	Average Volume 4th Qtr. 2009	Average Volume 1st Qtr. 2009	Interest Expense 1st Qtr. 2010	Interest Expense 4th Qtr. 2009	Interest Expense 1st Qtr. 2009	% Average Rate 1st Qtr. 2010	% Average Rate 4th Qtr. 2009	% Average Rate 1st Qtr. 2009
Liabilities									
Deposits									
In U. S. offices									
Savings deposits(5)	**$ 178,266**	$ 184,894	$ 164,977	**$ 458**	$ 520	$ 633	**1.04%**	1.12%	1.56%
Other time deposits	**54,391**	57,284	61,283	**143**	186	416	**1.07**	1.29	2.75
In offices outside the U.S.(6)	**481,002**	478,233	408,840	**1,479**	1,454	1,799	**1.25**	1.21	1.78
Total	**$ 713,659**	$ 720,411	$ 635,100	**$ 2,080**	$ 2,160	$ 2,848	**1.18%**	1.19%	1.82%
Federal funds purchased and securities loaned or sold under agreements to repurchase(7)									
In U.S. offices	**$ 120,695**	$ 115,656	$ 152,256	**$ 179**	$ 136	$ 316	**0.60%**	0.47%	0.84%
In offices outside the U.S.(6)	**79,447**	74,200	68,184	**475**	490	788	**2.42**	2.62	4.69
Total	**$ 200,142**	$ 189,856	$ 220,440	**$ 654**	$ 626	$ 1,104	**1.33%**	1.31%	2.03%
Trading account liabilities(8)(9)									
In U.S. offices	**$ 32,642**	$ 29,908	$ 20,712	**$ 44**	$ 51	$ 93	**0.55%**	0.68%	1.82%
In offices outside the U.S.(6)	**46,905**	41,790	31,101	**19**	18	15	**0.16**	0.17	0.20
Total	**$ 79,547**	$ 71,698	$ 51,813	**$ 63**	$ 69	$ 108	**0.32%**	0.38%	0.85%
Short-term borrowings									
In U.S. offices	**$ 152,785**	$ 99,325	$ 148,673	**$ 204**	$ 215	$ 367	**0.54%**	0.86%	1.00%
In offices outside the U.S.(6)	**27,659**	32,016	35,214	**72**	82	96	**1.06**	1.02	1.11
Total	**$ 180,444**	$ 131,341	$ 183,887	**$ 276**	$ 297	$ 463	**0.62%**	0.90%	1.02%
Long-term debt(10)									
In U.S. offices	**$ 397,113**	$ 340,287	$ 309,670	**$ 3,005**	$ 3,148	$ 2,820	**3.07%**	3.67%	3.69%