CITIGROUP INC
Form 10-Q
May 04, 2012

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, 2012

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	**10022**
(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 March 31, 2012: 2,932,157,453

Available on the web at www.citigroup.com

CITIGROUP INC

FIRST QUARTER 2012 FORM 10-Q

OVERVIEW

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 160 countries and jurisdictions.

Citigroup currently operates, for management reporting purposes, via two primary business segments: Citicorp, consisting of Citi's *Global Consumer Banking* businesses and *Institutional Clients Group*; and Citi Holdings, consisting of *Brokerage and Asset Management, Local Consumer Lending* and *Special Asset Pool*. 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," "Citi" and "the Company" 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, 2011 (2011 Annual Report on Form 10-K). Additional information about Citigroup is available on Citi's Web site at *www.citigroup.com*. Citigroup's recent annual reports on Form 10-K, quarterly reports on Form 10-Q, proxy statements, as well as other filings with the U.S. Securities and Exchange Commission (SEC), are available free of charge through the Citi's Web site by clicking on the "Investors" page and selecting "All SEC Filings." The SEC's Web site also contains current reports, information statements, and other information regarding Citi at *www.sec.gov*.

Within this Form 10-Q, please refer to the tables of contents on pages 2 and 88 for page references to Management's Discussion and Analysis of Financial Condition and Results of Operations, and Notes to Consolidated Financial Statements, respectively.

Certain reclassifications have been made to the prior periods' financial statements to conform to the current period's presentation. For information on certain recent such classifications, including the transfer of the substantial majority of Citi's retail partner cards businesses (which is now referred to as Citi retail services) from Citi Holdings *Local Consumer Lending* to Citicorp *North America Regional Consumer Banking,* which was effective January 1, 2012, see Citi's Form 8-K furnished to the SEC on March 26, 2012.

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)

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

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

FIRST QUARTER OF 2012 EXECUTIVE SUMMARY

Citigroup

Citigroup reported first quarter of 2012 net income of $2.9 billion, or $0.95 per diluted share. Citi's reported net income declined by 2%, or $68 million, from the first quarter of 2011. Results for the first quarter of 2012 included a net negative credit valuation adjustment (CVA) on derivatives (excluding monolines), net of hedges, and debt valuation adjustment (DVA) on Citi's fair value option debt of $1.3 billion, compared to negative $256 million in the first quarter of 2011, as Citi's credit spreads tightened during the quarter. Results for the first quarter of 2012 also included a net pretax gain of $477 million from minority investments, which included pretax gains of $1.1 billion and $542 million on the sale of Citi's remaining stake in the Housing Development Finance Corporation Ltd. (HDFC) and its stake in Shanghai Pudong Development Bank (SPDB), respectively, partially offset by the pretax impairment charge relating to Akbank T.A.S. (Akbank) of $1.2 billion. Excluding CVA/DVA and the net gain on minority investments, Citi earned $3.4 billion in the first quarter of 2012, or $1.11 per diluted share, compared to $1.04 per diluted share (excluding CVA/DVA) in the prior-year period. The year-over-year increase in earnings per share, excluding CVA/DVA and the net gain from minority investments, primarily reflected higher revenues, a decline in credit costs and a lower effective tax rate as compared to the prior-year period.

Citi's revenues, net of interest expense, were $19.4 billion, down 2% versus the prior-year period. Excluding CVA/DVA and the net gain on minority investments, revenues were $20.2 billion, up $235 million, or 1%, from the first quarter of 2011 (excluding CVA/DVA) as growth in Citicorp's three businesses (*Global Consumer Banking (GCB)*, *Securities and Banking* and *Transaction Services*) exceeded the continued revenue declines in Citi Holdings. Net interest revenues of $11.9 billion were 1% lower than the prior-year period, largely due to continued declining loan balances and lower interest-earning assets (particularly in the *Special Asset Pool*) in Citi Holdings. Non-interest revenues were $7.5 billion, down 2% from the prior-year period, principally due to the higher negative CVA/DVA versus the prior-year period, partially offset by the net gain on minority investments. Excluding CVA/DVA and the net gain on minority investments, non-interest revenues were $8.3 billion, a 5% increase compared to the first quarter 2011 (excluding CVA/DVA), as growth in Citicorp outpaced a decline in Citi Holdings.

Operating Expenses

Citigroup expenses were essentially flat versus the prior-year period at $12.3 billion. Both periods included a similar combined level of legal and related costs and repositioning charges of approximately $600 million. Excluding these items, as well as the impact of foreign exchange translation (as used throughout this Form 10-Q, FX translation) (approximately $100 million in the first quarter of 2012), operating expenses grew less than 1% versus the prior-year period. Investment spending was $0.4 billion higher than in the first quarter of 2011 and was more than offset by approximately $0.6 billion in efficiency savings year-over-year.

Citicorp's expenses were $10.3 billion, up 1% from $10.2 billion in the prior-year period, driven primarily by the higher volumes in each of *GCB* and *Transaction Services.* Citi Holdings expenses were down 16% year-over-year to $1.2 billion, principally due to the continued decline in assets and thus lower operating expenses, partially offset by higher legal and related costs.

Credit Costs

Citi's total provisions for credit losses and for benefits and claims of $3.0 billion declined $165 million, or 5%, from the prior-year period. Net credit losses of $4.0 billion were down $2.3 billion, or 37%, from the first quarter of 2011. Consumer net credit losses declined $1.4 billion, or 25%, to $4.0 billion, driven by continued credit improvement in Citicorp *North America* Citi-branded cards and Citi retail services (formerly retail partner cards) and in *Local Consumer Lending* within Citi Holdings. Corporate net credit losses decreased $932 million year-over-year to a net credit recovery of $83 million, driven by a series of recoveries in both *Securities and Banking* and in the *Special Asset Pool* in Citi Holdings.

The net release of allowance for loan losses and unfunded lending commitments was $1.2 billion in the first quarter of 2012, compared to a net release of $3.3 billion in the first quarter of 2011. Of the $1.2 billion net reserve release, $1.3 billion related to Consumer and was mainly driven by *North America* Citi-branded cards and Citi retail services and *North America* mortgages in Citi Holdings. The $112 million net Corporate reserve build reflected continued growth in the Corporate loan portfolio in Citicorp.

$588 million of the net credit reserve release was attributable to Citicorp and compared to a $1.8 billion release in the prior-year period. The decline in the Citicorp reserve release year-over-year reflected a net build within international *GCB* (which encompasses Asia, Latin America and EMEA) and *Securities and Banking*, reflecting continued loan growth in these businesses. The $576 million net credit release in Citi Holdings was down from $1.5 billion in the prior-year period due primarily to lower releases in the *Special Asset Pool*.

Capital and Loan Loss Reserve Positions

Citigroup's Tier 1 Capital ratio was 14.3% at quarter-end and its Tier 1 Common ratio was 12.5%, up approximately 100 and 120 basis points, respectively, from the prior-year period.

Citigroup's total allowance for loan losses was $29.0 billion at quarter end, or 4.5% of total loans, compared to $36.6 billion, or 5.8%, at the end of the prior-year period. The decline in the total allowance for loan losses reflected asset sales in Citi Holdings, lower non-accrual loans, and overall continued improvement in the credit quality of the loan portfolios.

The Consumer allowance for loan losses was $26.0 billion, or 6.3% of total Consumer loans, at quarter-end, compared to $32.7 billion, or 7.5% of total loans, at March 31, 2011. Total non-accrual assets declined 25% to $12.3 billion compared to the first quarter 2011. Corporate non-accrual loans declined 46% to $3.0 billion, and Consumer non-accrual loans declined 6% to $8.7 billion.

Citicorp

Citicorp net income decreased 3% from the prior-year period to $4.3 billion, largely reflecting a decline in reported revenues as well as higher credit costs, primarily as a result of lower loan loss reserve releases. Reported revenues of $18.0 billion were down 1% from the prior-year period, primarily stemming from negative CVA/DVA in *Securities and Banking* of $1.4 billion, compared to a negative $229 million in the prior-year period. Excluding CVA/DVA, Citicorp net income increased 13% from the prior-year period to $5.2 billion, mainly reflecting revenue growth across all of Citicorp's businesses.

Excluding CVA/DVA, Citicorp revenues were $19.4 billion, 6% higher than the first quarter 2011. *Global Consumer Banking* revenues of $10.0 billion grew 5% year-over-year. *North America GCB* revenues grew 5% to $5.2 billion while international *GCB* revenues grew 4% to $4.8 billion, each compared to the first quarter 2011. Average retail banking loans increased 16% year-over-year to $139.3 billion, and average deposits increased 3% to $318.6 billion, both driven by *North America*, *Asia* and *Latin America*. Citi-branded and retail services average card loans decreased 1% year-over-year to $148.3 billion, as continued growth in *Asia* and *Latin America* was offset by lower average balances in *North America* (for both Citi-branded cards and Citi retail services) and *EMEA*. Cards purchase sales grew 6% from the prior-year period to $85.4 billion, and international investment sales decreased 6% to $19.0 billion on weaker retail investor sentiment versus the prior-year period.

Securities and Banking revenues were $5.3 billion in the first quarter of 2012, down 12% year-on-year, driven by the higher negative CVA/DVA. Excluding the impact of CVA/DVA, *Securities and Banking* revenues were $6.7 billion, 6% higher than the prior-year period. Fixed income markets revenues of $4.7 billion in the first quarter of 2012, excluding CVA/DVA,(1) increased 19% from the prior-year period, primarily reflecting strong performance in rates and currencies across all products and regions as overall market conditions improved in the first quarter of 2012 and client activity increased. Credit and securitized products were down versus the prior-year period, however, largely reflecting lower risk levels in the business. Equity markets revenues of $902 million in the first quarter of 2012, excluding CVA/DVA, were 18% below the prior-year period, largely related to lower industry volumes, particularly in cash equities. Investment banking revenues grew 2% from the prior-year period to $865 million as growth in debt underwriting offset declines in advisory and equity underwriting revenues. Lending revenues of $56 million were down from $255 million in the prior-year period, as higher net interest revenues were more than offset by greater hedge losses in the first quarter of 2012. Private bank revenues of $576 million, excluding CVA/DVA, were up 11% year-over-year due to higher loan and deposit balances as well as stronger capital markets activity.

Transaction Services revenues were $2.7 billion, up 7% from the prior-year period, as growth in *Treasury and Trade Solutions (TTS)* offset declines in *Securities and Fund Services (SFS)*. *TTS* revenue growth reflected strong growth in deposits and average assets, particularly in trade finance, while the decline in *SFS* revenues reflected lower settlement volumes. *Transaction Services* average deposits and other customer liabilities grew 6% year-over-year to $377 billion, while assets under custody decreased 1% year-over-year to $12.6 trillion.

Citicorp end-of-period loans increased 12% year-over-year to $514 billion, with 6% growth in Consumer loans and 23% growth in Corporate loans.

Citi Holdings

Citi Holdings net loss of $1.0 billion in the first quarter of 2012 was slightly higher than the loss reported in the first quarter of 2011, as revenue declines and lower credit reserve releases exceeded expense declines and a continued improvement in net credit losses.

Citi Holdings revenues decreased 47% from the prior-year period to $874 million. Excluding CVA/DVA of positive $88 million in the first quarter of 2012, compared to a negative $27 million in the prior-year period, Citi Holdings revenues were $786 million, 53% lower than the first quarter 2011. Net interest revenues declined 32% year-over-year to $701 million, largely driven by declining loan balances in *Local Consumer Lending* and lower interest-earning assets in the *Special Asset Pool*. Non-interest revenues, excluding CVA/DVA, decreased 87% to $84 million from the prior-year period, primarily reflecting the absence of positive private equity marks recorded in the *Special Asset Pool* in the first quarter of 2011 combined with a repurchase reserve build related to private-label mortgage securitizations in the *Special Asset Pool* in the current quarter.

Citi Holdings assets declined 29% year-over-year to $209 billion at March 31, 2012, and comprised approximately 11% of total Citigroup GAAP assets and 19% of risk-weighted assets as of such date. *Local Consumer Lending* continued to represent the largest segment within Citi Holdings, with $147 billion of assets. Over 70% of *Local Consumer Lending* assets, or approximately $104 billion, were mortgage loans in

North America real estate lending. At March 31, 2012, approximately $9.4 billion of loan loss reserves were allocated to *North America* real estate lending in Citi Holdings.

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(1) For the summary of CVA/DVA by business within *Securities and Banking*, for the first quarter of 2012 and comparable periods, see "Citicorp *Institutional Clients Group Securities and Banking*" below.

RESULTS OF OPERATIONS

SUMMARY OF SELECTED FINANCIAL DATA Page 1

Citigroup Inc. and Consolidated Subsidiaries

In millions of dollars, except per-share amounts, ratios and direct staff		First Quarter 2012(1)		2011	% Change
Net interest revenue	**$**	**11,947**	$	12,102	(1)%
Non-interest revenue		**7,459**		7,624	(2)
Revenues, net of interest expense	**$**	**19,406**	$	19,726	(2)%
Operating expenses		**12,319**		12,326	
Provisions for credit losses and for benefits and claims		**3,019**		3,184	(5)%
Income from continuing operations before income taxes	**$**	**4,068**	$	4,216	(4)%
Income taxes		**1,006**		1,185	(15)
Income from continuing operations	**$**	**3,062**	$	3,031	1%
Income (loss) from discontinued operations, net of taxes(1)		**(5)**		40	NM
Net income before attribution of noncontrolling interests	**$**	**3,057**	$	3,071	
Net income attributable to noncontrolling interests		**126**		72	75%
Citigroup's net income	**$**	**2,931**	$	2,999	(2)%
Less:					
Preferred dividends Basic	**$**	**4**	$	4	
Dividends and undistributed earnings allocated to employee restricted and deferred shares that contain nonforfeitable rights to dividends, applicable to Basic EPS		**54**		35	54%
Income allocated to unrestricted common shareholders for Basic EPS	**$**	**2,873**	$	2,960	(3)%
Add: Interest expense, net of tax, on convertible securities and adjustment of undistributed earnings allocated to employee restricted and deferred shares that contain nonforfeitable rights to dividends, applicable to diluted EPS		**4**		1	NM
Income allocated to unrestricted common shareholders for diluted EPS	**$**	**2,877**	$	2,961	(3)%
Earnings per share(2)					
Basic					
Income from continuing operations	**$**	**0.98**	$	1.01	(3)%
Net income		**0.98**		1.02	(4)
Diluted					
Income from continuing operations	**$**	**0.96**	$	0.97	(1)%
Net income		**0.95**		0.99	(4)
Dividends declared per common share		**0.01**			NM

Statement continues on the next page, including notes to the table.

SUMMARY OF SELECTED FINANCIAL DATA Page 2

Citigroup Inc. and Consolidated Subsidiaries

In millions of dollars, except per-share amounts, ratios and direct staff	First Quarter 2012	First Quarter 2011	% Change
At March 31:			
Total assets	**$ 1,944,423**	$ 1,947,815	%
Total deposits	**906,012**	865,863	5
Long-term debt	**311,079**	376,541	(17)
Mandatorily redeemable securities of subsidiary trusts (included in long-term debt)	**16,041**	17,940	(11)
Citigroup common stockholders' equity	**181,508**	170,725	6
Total Citigroup stockholders' equity	**181,820**	171,037	6
Direct staff *(in thousands)*	**263**	260	1
Ratios			
Return on average common stockholders' equity(3)	**6.51%**	7.30%	
Return on average total stockholders' equity(3)	**6.51**	7.29	
Tier 1 Common(4)	**12.50%**	11.34%	
Tier 1 Capital	**14.26**	13.26	
Total Capital	**17.64**	16.98	
Leverage(5)	**7.55**	7.00	
Citigroup common stockholders' equity to assets	**9.33%**	8.76%	
Total Citigroup stockholders' equity to assets	**9.35**	8.78	
Dividend payout ratio(6)	**0.01**	NM	
Book value per common share(2)	**$ 61.90**	$ 58.46	
Ratio of earnings to fixed charges and preferred stock dividends	**1.71x**	1.68x	

(1) Discontinued operations for 2011 primarily reflects the sale of the Egg Banking PLC credit card business. See Note 2 to the Consolidated Financial Statements.

(2) All per share amounts and Citigroup shares outstanding for all periods reflect Citigroup's 1-for-10 reverse stock split, which was effective May 6, 2011.

(3) The return on average common stockholders' equity is calculated using net income less preferred stock dividends divided by average common stockholders' equity. The return on average total Citigroup stockholders' equity is calculated using net income divided by average Citigroup stockholders' equity.

(4) 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.

(5) The Leverage ratio represents Tier 1 Capital divided by adjusted average total assets.

(6) Dividends declared per common share as a percentage of net income per diluted share.

NM Not meaningful

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SEGMENT AND BUSINESS INCOME (LOSS) AND REVENUES

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

CITIGROUP INCOME

In millions of dollars	First Quarter 2012	First Quarter 2011	% Change
Income (loss) from continuing operations			
CITICORP			
Global Consumer Banking			
North America	**$ 1,317**	$ 937	41%
EMEA	**(7)**	57	NM
Latin America	**375**	473	(21)
Asia	**503**	453	11
Total	**$ 2,188**	$ 1,920	14%
Securities and Banking			
North America	**$ 128**	$ 464	(72)%
EMEA	**512**	764	(33)
Latin America	**342**	273	25
Asia	**307**	210	46
Total	**$ 1,289**	$ 1,711	(25)%
Transaction Services			
North America	**$ 126**	$ 106	19%
EMEA	**315**	275	15
Latin America	**178**	172	3
Asia	**302**	283	7
Total	**$ 921**	$ 836	10%
Institutional Clients Group	**$ 2,210**	$ 2,547	(13)%
Total Citicorp	**$ 4,398**	$ 4,467	(2)%
Corporate/Other	**$ (312)**	$ (479)	35%
Total Citicorp and *Corporate/Other*	**$ 4,086**	$ 3,988	2%
CITI HOLDINGS			
Brokerage and Asset Management	**$ (136)**	$ (10)	NM
Local Consumer Lending	**(633)**	(1,009)	37%
Special Asset Pool	**(255)**	62	NM
Total Citi Holdings	**$ (1,024)**	$ (957)	(7)%
Income from continuing operations	**$ 3,062**	$ 3,031	1%
Discontinued operations	**$ (5)**	$ 40	NM
Net income attributable to noncontrolling interests	**126**	72	75%

Citigroup's net income	**$ 2,931**	$ 2,999	(2)%

NM
Not meaningful

CITIGROUP REVENUES

In millions of dollars	First Quarter 2012	2011	% Change
CITICORP			
Global Consumer Banking			
North America	**$ 5,198**	$ 4,943	5%
EMEA	**378**	421	(10)
Latin America	**2,441**	2,294	6
Asia	**1,997**	1,896	5
Total	**$ 10,014**	$ 9,554	5%
Securities and Banking			
North America	**$ 1,348**	$ 2,328	(42)%
EMEA	**1,954**	2,061	(5)
Latin America	**755**	588	28
Asia	**1,218**	1,045	17
Total	**$ 5,275**	$ 6,022	(12)%
Transaction Services			
North America	**$ 641**	$ 610	5%
EMEA	**894**	837	7
Latin America	**451**	417	8
Asia	**757**	698	8
Total	**$ 2,743**	$ 2,562	7%
Institutional Clients Group	**$ 8,018**	$ 8,584	(7)%
Total Citicorp	**$ 18,032**	$ 18,138	(1)%
Corporate/Other	**$ 500**	$ (61)	NM
Total Citicorp and *Corporate/Other*	**$ 18,532**	$ 18,077	3%
CITI HOLDINGS			
Brokerage and Asset Management	**$ (46)**	$ 137	NM
Local Consumer Lending	**1,326**	1,519	(13)%
Special Asset Pool	**(406)**	(7)	NM
Total Citi Holdings	**$ 874**	$ 1,649	(47)%
Total Citigroup net revenues	**$ 19,406**	$ 19,726	(2)%

NM Not meaningful

CITICORP

Citicorp is Citigroup's global bank for consumers and businesses and represents Citi's core franchises. 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 160 countries and jurisdictions. 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, commercial, public sector and institutional clients around the world. Citigroup's global footprint provides coverage of the world's emerging economies, which Citi continues to believe represent a strong area of growth. At March 31, 2012, Citicorp had approximately $1.4 trillion of assets and $839 billion of deposits, representing approximately 73% of Citi's total assets and approximately 93% of its deposits.

At March 31, 2012, Citicorp consisted of the following businesses: *Global Consumer Banking* (which included retail banking and Citi-branded cards in four regions *North America, EMEA, Latin America* and *Asia,* as well as Citi retail services in *North America*) and *Institutional Clients Group* (which includes *Securities and Banking* and *Transaction Services*).

In millions of dollars except as otherwise noted	First Quarter 2012	2011	% Change
Net interest revenue	**$ 11,233**	$ 11,059	2%
Non-interest revenue	**6,799**	7,079	(4)
Total revenues, net of interest expense	**$ 18,032**	$ 18,138	(1)%
Provisions for credit losses and for benefits and claims			
Net credit losses	**$ 2,220**	$ 3,250	(32)%
Credit reserve build (release)	**(576)**	(1,811)	68
Provision for loan losses	**$ 1,644**	$ 1,439	14%
Provision for benefits and claims	**58**	55	5
Provision for unfunded lending commitments	**(12)**	4	NM
Total provisions for credit losses and for benefits and claims	**$ 1,690**	$ 1,498	13%
Total operating expenses	**$ 10,305**	$ 10,236	1%
Income from continuing operations before taxes	**$ 6,037**	$ 6,404	(6)%
Provisions for income taxes	**1,639**	1,937	(15)
Income from continuing operations	**$ 4,398**	$ 4,467	(2)%
Net income attributable to noncontrolling interests	**61**	11	NM
Citicorp's net income	**$ 4,337**	$ 4,456	(3)%
Balance sheet data *(in billions of dollars)*			
Total EOP assets	**$ 1,424**	$ 1,372	4%
Average assets	**1,400**	1,366	2
Total EOP deposits	**839**	787	7

NM Not meaningful

GLOBAL CONSUMER BANKING

Global Consumer Banking (GCB) consists of Citigroup's four geographical *Regional Consumer Banking (RCB)* businesses that provide traditional banking services to retail customers through retail banking, local commercial banking, Citi-branded cards and Citi retail services. *GCB* is a globally diversified business with 4,150 branches in 39 countries around the world. At March 31, 2012, *GCB* had $389 billion of assets and $323 billion of deposits.

In millions of dollars except as otherwise noted	First Quarter 2012	First Quarter 2011	% Change
Net interest revenue	**$ 7,373**	$ 7,332	1%
Non-interest revenue	**2,641**	2,222	19
Total revenues, net of interest expense	**$ 10,014**	$ 9,554	5%
Total operating expenses	**$ 5,210**	5,091	2%
Net credit losses	**$ 2,278**	3,040	(25)%
Credit reserve build (release)	**(734)**	(1,417)	48
Provisions for unfunded lending commitments	**(1)**		
Provision for benefits and claims	**58**	55	5
Provisions for credit losses and for benefits and claims	**$ 1,601**	1,678	(5)%
Income from continuing operations before taxes	**$ 3,203**	2,785	15%
Income taxes	**1,015**	865	17
Income (loss) from continuing operations	**$ 2,188**	1,920	14%
Net income attributable to noncontrolling interests	**1**	(2)	NM
Net income	**$ 2,187**	$ 1,922	14%
Average assets *(in billions of dollars)*	**$ 384**	$ 367	5%
Return on assets	**2.29%**	2.12%	
Total EOP assets	**389**	372	5
Average deposits *(in billions of dollars)*	**319**	310	3
Net credit losses as a percentage of average loans	**3.19%**	4.56%	
Revenue by business			
Retail banking	**$ 4,518**	$ 3,934	15%
Cards(1)	**5,496**	5,620	(2)
Total	**$ 10,014**	$ 9,554	5%
Income from continuing operations by business			
Retail banking	**$ 812**	$ 679	20%
Cards(1)	**1,376**	1,241	11
Total	**$ 2,188**	$ 1,920	14%

(1) Includes both Citi-branded cards and Citi retail services.

NM Not meaningful

NORTH AMERICA REGIONAL CONSUMER BANKING

North America Regional Consumer Banking (NA RCB) provides traditional banking and Citi-branded card and Citi retail services to retail customers and small to mid-size businesses in the U.S. *NA RCB's* 1,020 retail bank branches and 12.5 million customer accounts, as of March 31, 2012, 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, 2012, *NA RCB* had $40.6 billion of retail banking loans and $153.5 billion of deposits. In addition, *NA RCB* had 103.6 million Citi-branded and Citi retail services credit card accounts, with $109.4 billion in outstanding card loan balances.

	First Quarter		%
In millions of dollars, except as otherwise noted	**2012**	**2011**	**Change**
Net interest revenue	**$ 4,125**	$ 4,206	(2)%
Non-interest revenue	**1,073**	737	46
Total revenues, net of interest expense	**$ 5,198**	$ 4,943	5%
Total operating expenses	**$ 2,341**	$ 2,278	3%
Net credit losses	**$ 1,629**	$ 2,372	(31)%
Credit reserve build (release)	**(841)**	(1,201)	30
Provisions for benefits and claims	**14**	17	(18)
Provisions for loan losses and for benefits and claims	**$ 802**	$ 1,188	(32)%
Income from continuing operations before taxes	**$ 2,055**	$ 1,477	39%
Income taxes	**738**	540	37
Income from continuing operations	**$ 1,317**	$ 937	41%
Net income attributable to noncontrolling interests			
Net income	**$ 1,317**	$ 937	41%
Average assets *(in billions of dollars)*	**$ 169**	$ 162	4%
Average deposits *(in billions of dollars)*	**149**	144	3
Net credit losses as a percentage of average loans	**4.32%**	6.56%	
Revenue by business			
Retail banking	**$ 1,628**	$ 1,188	37%
Citi-branded cards	**2,068**	2,204	(6)
Citi retail services	**1,502**	1,551	(3)
Total	**$ 5,198**	$ 4,943	5%
Income from continuing operations by business			
Retail banking	**$ 331**	$ 85	NM
Citi-branded cards	**607**	477	27%
Citi retail services	**379**	375	1
Total	**$ 1,317**	$ 937	41%

NM Not meaningful

1Q12 vs. 1Q11

Net income increased 41% as compared to the prior-year period, driven by lower net credit losses and higher revenues from higher gains on sale of mortgages, partly offset by lower loan loss reserve releases and higher expenses.

Revenues increased 5% year-over-year as lower net interest margin and loan balances in the cards businesses were more than offset by higher non-interest revenue on sale of mortgages. *Net interest revenue* decreased 2% year-over-year, driven primarily by lower cards net interest margin which continued to be negatively impacted by the look-back provision of The Credit Card Accountability Responsibility and Disclosure Act (CARD Act). (The CARD Act requires a review be done once every six months for card accounts where the annual percentage rate (APR) has been increased since January 1, 2009 to assess whether changes in credit risk, market conditions or other factors merit a future decline in APR.) In addition, net interest revenues for cards was negatively impacted by higher low margin revenue promotional balances and lower total average loans. *NA RCB* believes the negative impact of the CARD Act and promotional balances should dissipate over the course of 2012 as the population of card accounts subject to the CARD Act look-back provisions declines and promotional balances convert or close. *Non-interest revenue* increased 46% year-over-year primarily due to the higher gains on sale of mortgages.

Expenses increased 3%, primarily driven by the higher investment spending in the business, particularly in cards marketing and new branches and technology, partially offset by efficiency savings and the absence of a litigation reserve relating to the interchange litigation recorded in the first quarter of 2011.

Provisions decreased 32%, primarily due to lower credit losses in the cards portfolio, partly offset by the continued lower loan loss reserve releases ($1.2 billion in the first quarter of 2011 compared to $841 million in the current quarter).

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. The countries in which *EMEA RCB* has the largest presence are Poland, Turkey, Russia and the United Arab Emirates. *EMEA RCB* had 286 retail bank branches with 4.0 million customer accounts, $4.5 billion in retail banking loans and $12.8 billion in deposits. In addition, the business had 2.6 million Citi-branded card accounts with $2.9 billion in outstanding card loan balances.

In millions of dollars, except as otherwise noted	**First Quarter 2012**	**2011**	**% Change**
Net interest revenue	**$ 262**	$ 242	8%
Non-interest revenue	**116**	179	(35)
Total revenues, net of interest expense	**$ 378**	$ 421	(10)%
Total operating expenses	**$ 359**	$ 318	13%
Net credit losses	**$ 29**	$ 49	(41)%
Provision for unfunded lending commitments	**(1)**		
Credit reserve build (release)	**(5)**	(34)	85%
Provisions for loan losses	**$ 23**	$ 15	53%
Income (loss) from continuing operations before taxes	**$ (4)**	$ 88	NM
Income taxes (benefits)	**3**	31	(90)%
Income (loss) from continuing operations	**$ (7)**	$ 57	NM
Net income (loss) attributable to noncontrolling interests	**1**		
Net income (loss)	**$ (8)**	$ 57	NM
Average assets *(in billions of dollars)*	**$ 9**	$ 10	(10)%
Return on assets	**(0.36)%**	2.31%	
Average deposits *(in billions of dollars)*	**$ 13**	$ 13	
Net credit losses as a percentage of average loans	**1.62%**	2.72%	
Revenue by business			
Retail banking	**$ 222**	$ 242	(8)%
Citi-branded cards	**156**	179	(13)
Total	**$ 378**	$ 421	(10)%
Income (loss) from continuing operations by business			
Retail banking	**$ (21)**	$ 13	NM
Citi-branded cards	**14**	44	(68)%
Total	**$ (7)**	$ 57	NM

NM Not meaningful

1Q12 vs. 1Q11

Net income declined by $65 million year-over-year, due to lower revenues and higher operating expenses and credit costs. Effective January 1, 2012, Akbank, Citi's equity investment in Turkey, was moved from *EMEA RCB* to *Corporate/Other* due to Citi's announced potential reduction in share holdings in Akbank. The decline in net income year-over-year was driven by lower revenues, including the absence of Akbank, and higher expenses, partially offset by lower net credit losses.

Revenues decreased 10% from the prior-year period, driven by the impact of FX translation (negative 4%), as well as the absence of Akbank. *Net interest revenue* increased 8% driven by the removal of Akbank investment funding costs in the current quarter, partially offset by the impact of FX translation. Excluding these items, net interest revenue was essentially flat, as better spreads on deposits and retail loan growth were mostly offset by loan spread compression. Interest rate caps on credit cards, particularly in Turkey, and the continued liquidation of the higher yielding non-strategic retail banking portfolio were the main contributors to the lower spreads. *Non-interest revenue* decreased 35%, reflecting the absence of the Akbank contribution in the current quarter. Cards purchase sales grew 17%.

Expenses increased 13%, primarily due to the impact of continued account acquisition-focused investment spending, increased volumes and repositioning charges in Poland and Egypt.

Provisions increased 53%, primarily due to lower loan loss reserve releases, partially offset by continued lower net credit losses. Net credit losses declined 41% due to the ongoing improvement in credit quality and the move towards lower risk products. Provisions will likely continue to negatively impact the results of operations of *EMEA RCB* during 2012 as net credit losses have largely stabilized and loan loss reserve releases will generally remain lower than comparable prior-year period levels.

LATIN AMERICA REGIONAL CONSUMER BANKING

Latin America Regional Consumer Banking (LATAM RCB) provides traditional banking and 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 Banco Nacional de Mexico, or Banamex, Mexico's second-largest bank, with over 1,700 branches. At March 31, 2012, *LATAM RCB* had 2,201 retail branches, with 31.1 million customer accounts, $26.1 billion in retail banking loans and $46.1 billion in deposits. In addition, the business had 13.1 million Citi-branded card accounts with $14.3 billion in outstanding loan balances.

In millions of dollars, except as otherwise noted	First Quarter 2012	2011	% Change
Net interest revenue	**$ 1,659**	$ 1,560	6%
Non-interest revenue	**782**	734	7
Total revenues, net of interest expense	**$ 2,441**	$ 2,294	6%
Total operating expenses	**$ 1,364**	$ 1,366	
Net credit losses	**$ 430**	$ 407	6%
Credit reserve build (release)	**113**	(147)	NM
Provision for benefits and claims	**44**	38	16
Provisions for loan losses and for benefits and claims	**$ 587**	$ 298	97%
Income from continuing operations before taxes	**$ 490**	$ 630	(22)%
Income taxes	**115**	157	(27)
Income from continuing operations	**$ 375**	$ 473	(21)%
Net attributable to noncontrolling interests		(2)	100
Net income	**$ 375**	$ 475	(21)%
Average assets *(in billions of dollars)*	**$ 81**	$ 77	5%
Return on assets	**1.86%**	2.50%	
Average deposits *(in billions of dollars)*	**$ 46**	$ 45	2
Net credit losses as a percentage of average loans	**4.31%**	4.84%	
Revenue by business			
Retail banking	**$ 1,448**	$ 1,333	9%
Citi-branded cards	**993**	961	3
Total	**$ 2,441**	$ 2,294	6%
Income from continuing operations by business			
Retail banking	**$ 202**	$ 295	(32)%
Citi-branded cards	**173**	178	(3)
Total	**$ 375**	$ 473	(21)%

NM
Not meaningful

1Q12 vs. 1Q11

Net income declined 21% as higher cost of credit more than offset increased operating margin as revenues grew 6% with expenses remaining flat.

Revenues increased 6%, which included a negative 500 basis point impact of FX translation. Revenue growth was driven by growth in personal and card loans, primarily in Mexico. *Net interest revenue* increased 6% as growth in lending volumes of 16% offset reduced spreads as new loan origination was focused in higher credit quality customer segments. *Non-interest revenue* increased 7%, predominantly driven by an increase in fees resulting from higher banking transactions and Cards purchase sales, which grew 12%.

Expenses remained flat as compared to the first quarter of 2011 as higher account and transaction volumes, increased compensation due to increased sales incentives and legal and related items were offset by the impact of FX translation and ongoing savings initiatives across the region.

Provisions increased 97% from the prior-year period, reflecting a loan loss reserve build of $113 million in the current period versus a $147 million release in the prior-year period. The build was driven by higher volumes and portfolio seasoning in the personal loans portfolio. Net credit losses were 6% higher, resulting from portfolio growth.

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, Japan, Taiwan, Hong Kong, India and Indonesia. Citi's Japan Consumer Finance business, which Citi has been exiting since 2008, is included in Citi Holdings. At March 31, 2012, *Asia RCB* had 643 retail branches, 16.5 million customer accounts, $68.8 billion in retail banking loans and $110.7 billion in deposits. In addition, the business had 15.7 million Citi-branded card accounts with $19.6 billion in outstanding loan balances.

In millions of dollars, except as otherwise noted	First Quarter 2012	First Quarter 2011	% Change
Net interest revenue	**$ 1,327**	$ 1,324	
Non-interest revenue	**670**	572	17%
Total revenues, net of interest expense	**$ 1,997**	$ 1,896	5%
Total operating expenses	**$ 1,146**	$ 1,129	2%
Net credit losses	**$ 190**	$ 212	(10)%
Credit reserve build (release)	**(1)**	(35)	97
Provisions for loan losses and for benefits and claims	**$ 189**	$ 177	7%
Income from continuing operations before taxes	**$ 662**	$ 590	12%
Income taxes (benefits)	**159**	137	16
Income from continuing operations	**$ 503**	$ 453	11%
Net income attributable to noncontrolling interests			
Net income	**$ 503**	$ 453	11%
Average assets *(in billions of dollars)*	**$ 125**	$ 118	6%
Return on assets	**1.62%**	1.56%	
Average deposits *(in billions of dollars)*	**$ 111**	$ 108	3
Net credit losses as a percentage of average loans	**0.86%**	1.05%	
Revenue by business			
Retail banking	**$ 1,220**	$ 1,171	4%
Citi-branded cards	**777**	725	7
Total	**$ 1,997**	$ 1,896	5%
Income from continuing operations by business			
Retail banking	**$ 300**	$ 286	5%
Citi-branded cards	**203**	167	22
Total	**$ 503**	$ 453	11%

1Q12 vs. 1Q11

Net income increased 11% year-over-year, driven by higher revenues and lower net credit losses, partially offset by lower loan loss reserve releases and marginally higher expenses.

Revenues increased 5% year-over-year, primarily driven by higher business volumes and the absence of charges relating to the repurchase of certain Lehman structured notes ($70 million) recorded in the prior-year period, partially offset by continued spread compression. *Net interest revenue* was flat year-over-year as continued increases in lending and deposit volumes were offset by spread compression. Spread compression continued to be driven by stricter underwriting criteria arising from a lowering of the risk profile for personal and other loans, and this will likely continue to have a negative impact on net interest revenue in the near-term. *Non-interest revenue* increased 17%, reflecting growth in Citi-branded cards purchase sales and higher revenues from foreign exchange products and the absence of the above mentioned Lehman related charges, partially offset by a 26% decrease in investment sales year-over-year. Investment sales increased 40% from the fourth quarter of 2011.

Expenses increased 2%, largely due to growth in business volumes, partially offset by ongoing productivity savings.

Provisions increased 7% as lower loan loss reserve releases were partially offset by continued lower net credit losses, although the pace of improvement in net credit losses has slowed. The increase in credit provisions reflected the increasing volumes in the region, partially offset by continued credit quality improvement, particularly in Japan and India. India remained a significant driver of the improvement in credit quality, as it continued to de-risk elements of its legacy portfolio. Assuming the underlying core portfolio continues to grow and season in 2012, Citi expects credit costs could continue to increase marginally in line with portfolio growth.

INSTITUTIONAL CLIENTS GROUP

Institutional Clients Group (ICG) includes *Securities and Banking* and *Transaction Services*. *ICG* provides corporate, institutional, public sector and high-net-worth clients around the world with a full range of products and services, including cash management, foreign exchange, trade finance and services, securities services, sales and trading, institutional brokerage, underwriting, lending and advisory services. *ICG*'s international presence is supported by trading floors in approximately 75 countries and jurisdictions and a proprietary network within *Transaction Services* in over 95 countries and jurisdictions. At March 31, 2012, *ICG* had approximately $1.0 trillion of assets and $516 billion of deposits.

In millions of dollars, except as otherwise noted	First Quarter 2012	First Quarter 2011	% Change
Commissions and fees	**$ 1,141**	$ 1,133	1%
Administration and other fiduciary fees	**696**	746	(7)
Investment banking	**811**	793	2
Principal transactions	**1,916**	2,260	(15)
Other	**(406)**	(75)	NM
Total non-interest revenue	**$ 4,158**	$ 4,857	(14)%
Net interest revenue (including dividends)	**3,860**	3,727	4
Total revenues, net of interest expense	**$ 8,018**	$ 8,584	(7)%
Total operating expenses	**$ 5,095**	$ 5,145	(1)%
Net credit losses	**$ (58)**	$ 210	NM
Provision (release) for unfunded lending commitments	**(11)**	4	NM
Credit reserve build (release)	**158**	(394)	NM
Provisions for loan losses and benefits and claims	**$ 89**	$ (180)	NM
Income from continuing operations before taxes	**$ 2,834**	$ 3,619	(22)%
Income taxes	**624**	1,072	(42)
Income from continuing operations	**$ 2,210**	$ 2,547	(13)%
Net income attributable to noncontrolling interests	**60**	13	NM
Net income	**$ 2,150**	$ 2,534	(15)%
Average assets (*in billions of dollars*)	**$ 1,016**	$ 999	2%
Return on assets	**0.85%**	1.03%	
Revenues by region			
North America	**$ 1,989**	$ 2,938	(32)%
EMEA	**2,848**	2,898	(2)
Latin America	**1,206**	1,005	20
Asia	**1,975**	1,743	13
Total revenues	**$ 8,018**	$ 8,584	(7)%
Income from continuing operations by region			
North America	**$ 254**	$ 570	(55)%
EMEA	**827**	1,039	(20)
Latin America	**520**	445	17
Asia	**609**	493	24
Total income from continuing operations	**$ 2,210**	$ 2,547	(13)%

Average loans by region (*in billions of dollars*)			
North America	**$ 76**	$ 66	15%
EMEA	**51**	42	21
Latin America	**34**	25	36
Asia	**60**	45	33
Total average loans	**$ 221**	$ 178	24%

NM
Not meaningful

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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 high-net-worth individuals. *S&B* transacts with clients in both cash instruments and derivatives, including fixed income, foreign currency, equity, and commodity products. *S&B* includes investment banking and advisory services, lending, debt and equity sales and trading, institutional brokerage, derivative services and private banking.

S&B revenue is generated primarily from fees and spreads associated with these activities. *S&B* earns fee income for assisting clients in clearing transactions, providing brokerage and investment banking services and other such activities. Revenue generated from these activities is recorded in *Commissions and fees*. In addition, as a market maker, *S&B* facilitates transactions, including holding product inventory to meet client demand, and earns the differential between the price at which it buys and sells the products. These price differentials and the unrealized gains and losses on the inventory are recorded in *Principal transactions*. *S&B* interest income earned on inventory and loans held is recorded as a component of *Net interest revenue*.

	First Quarter		%
In millions of dollars, except as otherwise noted	**2012**	**2011**	**Change**
Net interest revenue	**$ 2,274**	$ 2,289	(1)%
Non-interest revenue	**3,001**	3,733	(20)%
Revenues, net of interest expense	**$ 5,275**	$ 6,022	(12)%
Total operating expenses	**3,707**	3,802	(2)
Net credit losses	**(60)**	203	NM
Provision (release) for unfunded lending commitments	**(17)**	4	NM
Credit reserve build (release)	**135**	(394)	NM
Provisions for loan losses and benefits and claims	**$ 58**	$ (187)	NM
Income before taxes and noncontrolling interests	**$ 1,510**	$ 2,407	(37)%
Income taxes	**221**	696	(68)
Income from continuing operations	**$ 1,289**	$ 1,711	(25)%
Net income attributable to noncontrolling interests	**56**	9	NM
Net income	**$ 1,233**	$ 1,702	(28)%
Average assets *(in billions of dollars)*	**$ 884**	$ 875	1%
Return on assets	**0.56%**	0.79%	
Revenues by region			
North America	**$ 1,348**	$ 2,328	(42)%
EMEA	**1,954**	2,061	(5)
Latin America	**755**	588	28
Asia	**1,218**	1,045	17
Total revenues	**$ 5,275**	$ 6,022	(12)%
Income from continuing operations by region			
North America	**$ 128**	$ 464	(72)%
EMEA	**512**	764	(33)
Latin America	**342**	273	25
Asia	**307**	210	46
Total income from continuing operations	**$ 1,289**	$ 1,711	(25)%
Securities and Banking revenue details			
Total investment banking	**$ 865**	$ 851	2%

Lending	**56**	255	(78)
Equity markets	**619**	1,070	(42)
Fixed income markets	**3,650**	3,794	(4)
Private bank	**570**	515	11
Other *Securities and Banking*	**(485)**	(463)	(5)
Total *Securities and Banking* revenues	**$ 5,275**	$ 6,022	(12)%

NM
Not meaningful

1Q12 vs. 1Q11

Net income of $1.2 billion decreased 28%, primarily due to negative $1.4 billion of CVA/DVA in the current quarter (see table below). Excluding CVA/DVA, net income increased 13%, primarily driven by an increase in revenues. The decline in expenses year-over-year was more than offset by higher provisions.

Revenues of $5.3 billion decreased 12% from the prior year due to the negative CVA/DVA. Excluding CVA/DVA, *S&B* revenues increased 6%, reflecting better results in fixed income markets, private bank, and a slight increase in investment banking, partially offset by lower revenues in equity markets and lending.

Fixed income markets revenues increased 19% excluding CVA/DVA. The results primarily reflected strong performance in rates and currencies across all products and regions, as overall market conditions improved in the first quarter of 2012 and client activity increased. While a return of liquidity and two-way flows in the credit markets in the first quarter of 2012 resulted in strong performance from credit and securitized products, revenues declined in these areas relative to the prior-year period, largely reflecting lower risk levels in the business.

Equity markets revenues decreased 18% excluding CVA/DVA, driven by lower industry volumes, particularly in cash equities.

Investment banking revenues increased 2%, as growth in debt underwriting revenues offset declines in advisory and equity underwriting revenues. The growth in debt underwriting was due to volume growth in certain products and gains in market share, while the lower results in advisory and equity underwriting revenues reflected market wide declines in activity levels.

Lending revenues decreased 78%, mainly as a result of losses on credit default swap hedges as credit spreads narrowed during the quarter (see the table below). Excluding the impact of these hedging losses, lending revenues increased 24%, primarily driven by increased volumes in the Corporate loan portfolio.

Private bank revenues increased 11% excluding CVA/DVA due to higher loan and deposit balances, spread improvement, and stronger capital markets activity.

Expenses decreased 2%, driven by efficiency savings from ongoing reengineering programs.

Provisions increased by $245 million to a positive $58 million, primarily due to reserve builds as a result of portfolio growth compared to releases in the prior-year period, partially offset by a specific recovery in the first quarter of 2012 which resulted in net credit recoveries for the quarter.

In millions of dollars	**March 31, 2012**	**March 31, 2011**
***S&B* CVA/DVA**		
Fixed Income Markets	**$ (1,087)**	$ (190)
Equity Markets	**(283)**	(34)
Private Bank	**(6)**	(5)
Total *S&B* CVA/DVA	**$ (1,376)**	$ (229)
Total *S&B* Lending Hedge gain (loss)	**$ (504)**	$ (197)

TRANSACTION SERVICES

Transaction Services is composed of *Treasury and Trade Solutions* and *Securities and Fund Services. Treasury and Trade Solutions* provides comprehensive cash management and trade finance and services for corporations, financial institutions and public sector entities worldwide. *Securities and Fund Services* provides securities services to investors, such as global asset managers, custody and 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 and trade loans as well as fees for transaction processing and fees on assets under custody and administration.

	First Quarter		%
In millions of dollars, except as otherwise noted	2012	2011	Change
Net interest revenue	**$ 1,586**	$ 1,438	10%
Non-interest revenue	**1,157**	1,124	3
Total revenues, net of interest expense	**$ 2,743**	$ 2,562	7%
Total operating expenses	**1,388**	1,343	3
Provisions (releases) for credit losses and for benefits and claims	**31**	7	NM
Income before taxes and noncontrolling interests	**$ 1,324**	$ 1,212	9%
Income taxes	**403**	376	7
Income from continuing operations	**921**	836	10
Net income attributable to noncontrolling interests	**4**	4	
Net income	**$ 917**	$ 832	10%
Average assets *(in billions of dollars)*	**$ 132**	$ 124	6%
Return on assets	**2.79%**	2.72%	
Revenues by region			
North America	**$ 641**	$ 610	5%
EMEA	**894**	837	7
Latin America	**451**	417	8
Asia	**757**	698	8
Total revenues	**$ 2,743**	$ 2,562	7%
Income from continuing operations by region			
North America	**$ 126**	$ 106	19%
EMEA	**315**	275	15
Latin America	**178**	172	3
Asia	**302**	283	7
Total income from continuing operations	**$ 921**	$ 836	10
Key indicators *(in billions of dollars)*			
Average deposits and other customer liability balances	**$ 377**	$ 356	6%
EOP assets under custody(1) *(in trillions of dollars)*	**12.6**	12.7	(1)

(1) Includes assets under custody, assets under trust and assets under administration.

NM Not meaningful

1Q12 vs. 1Q11

Net income increased 10% year-over-year, reflecting growth in revenues, partially offset by growth in expenses.

Revenues grew 7% year-over-year as increased customer balances and higher fees more than offset spread compression on deposits. *Treasury and Trade Solutions* revenues increased 11% primarily attributable to growth in the trade services and finance business as average trade loans grew 50% and spreads in the portfolio widened. Cash management revenues also increased year-over-year as growth in fees and deposit balances more than offset the impact of the continued low rate environment. *Securities and Fund Services* revenues declined 4% year-over-year driven by lower transaction and settlement volumes, reflecting lower levels of market activity, which resulted in decreased fee revenues.

Expenses increased 3% year-over-year, primarily driven by higher volumes.

Average deposits grew 6% from the prior-year period, driven by *North America* reflecting market demand for the U.S. dollar deposits. (For additional information on potential impacts of credit rating downgrades to *Transaction Services* deposits, see "Capital Markets Funding and Liquidity Credit Ratings" below.)

CITI HOLDINGS

Citi Holdings contains businesses and portfolios of assets that Citigroup has determined are not central to its core Citicorp businesses. Citi Holdings consists of the following: *Brokerage and Asset Management, Local Consumer Lending* and *Special Asset Pool*.

Consistent with its strategy, Citi intends to continue to exit these businesses and portfolios as quickly as practicable in an economically rational manner. To date, the decrease in Citi Holdings assets has been primarily driven by asset sales and business dispositions, as well as portfolio run-off and pay-downs. Asset levels have also been impacted, and will continue to be impacted, by charge-offs and revenue marks as and when appropriate.

As of March 31, 2012, Citi Holdings' GAAP assets were approximately $209 billion, a decrease of approximately 29% year-over-year and a decrease of 7% from year end 2011. The decline in assets from year end 2011 was comprised of approximately $4 billion of asset sales and business dispositions, $11 billion of run-off and pay-downs, and $1 billion of charge-offs and revenue marks. Citi Holdings represented approximately 11% of Citi's GAAP assets as of March 31, 2012, while Citi Holdings' risk-weighted assets of approximately $187 billion at March 31, 2012 represented approximately 19% of Citi's risk-weighted assets as of such date.

In millions of dollars, except as otherwise noted	First Quarter 2012	First Quarter 2011	% Change
Net interest revenue	**$ 701**	$ 1,032	(32)%
Non-interest revenue	**173**	617	(72)%
Total revenues, net of interest expense	**$ 874**	$ 1,649	(47)%
Provisions for credit losses and for benefits and claims			
Net credit losses	**$ 1,734**	$ 3,018	(43)%
Credit reserve build (release)	**(550)**	(1,558)	65%
Provision for loan losses	**$ 1,184**	$ 1,460	(19)%
Provision for benefits and claims	**171**	204	(16)%
Provision (release) for unfunded lending commitments	**(26)**	21	NM
Total provisions for credit losses and for benefits and claims	**$ 1,329**	$ 1,685	(21)%
Total operating expenses	**$ 1,219**	$ 1,443	(16)%
Loss from continuing operations before taxes	**$ (1,674)**	$ (1,479)	(13)%
Benefits for income taxes	**(650)**	(522)	(25)%
(Loss) from continuing operations	**$ (1,024)**	$ (957)	(7)%
Net income attributable to noncontrolling interests	**2**	61	(97)%
Citi Holdings net loss	**$ (1,026)**	$ (1,018)	(1)%
Balance sheet data *(in billions of dollars)*			
Total EOP assets	**$ 209**	$ 295	(29)%
Total EOP deposits	**$ 63**	$ 74	(14)%

NM Not meaningful

BROKERAGE AND ASSET MANAGEMENT

Brokerage and Asset Management (BAM) primarily consists of Citi's investment in, and assets related to, the Morgan Stanley Smith Barney Joint Venture (MSSB JV). At March 31, 2012, *BAM* had approximately $26 billion of assets, or approximately 12% of Citi Holdings' assets, of which approximately $25 billion related to the MSSB JV. The remaining assets in *BAM* consist of other retail alternative investments.

For information on the terms and conditions of the MSSB JV, see the Forms 8-K filed with the Securities and Exchange Commission on January 16, 2009 and June 3, 2009. See also Note 11 to the Consolidated Financial Statements.

	First Quarter		%
In millions of dollars, except as otherwise noted	**2012**	**2011**	**Change**
Net interest revenue	**$ (129)**	$ (46)	NM
Non-interest revenue	**83**	183	(55)%
Total revenues, net of interest expense	**$ (46)**	$ 137	NM
Total operating expenses	**$ 157**	$ 174	(10)%
Net credit losses	**$**	$ 1	(100)%
Credit reserve build (release)	**(1)**	(1)	
Provision for unfunded lending commitments			
Provision (release) for benefits and claims		8	(100)%
Provisions for credit losses and for benefits and claims	**$ (1)**	$ 8	NM
Income (loss) from continuing operations before taxes	**$ (202)**	$ (45)	NM
Income taxes (benefits)	**(66)**	(35)	(89)%
Loss from continuing operations	**$ (136)**	$ (10)	NM
Net income attributable to noncontrolling interests	**1**	2	(50)%
Net (loss)	**$ (137)**	$ (12)	NM
EOP assets *(in billions of dollars)*	**$ 26**	$ 27	(4)%
EOP deposits *(in billions of dollars)*	**55**	58	(5)

NM
Not meaningful

1Q12 vs. 1Q11

The *net loss* increased by $125 million from the prior-year period to $137 million in the current quarter, as lower revenues were only partly offset by lower expenses.

Revenues decreased by $183 million year-over-year driven by higher funding costs for MSSB JV assets and lower revenues from the MSSB JV.

Expenses decreased 10% year-over-year driven by divestitures.

Provisions decreased by $9 million due to the absence of certain benefits and claims in the prior-year period.

LOCAL CONSUMER LENDING

Local Consumer Lending (LCL) included a substantial portion of Citigroup's *North America* mortgage business (see "*North America* Consumer Mortgage Lending" below), CitiFinancial North America (consisting of the OneMain and CitiFinancial Servicing businesses), remaining student loans and credit card portfolios, and other local consumer finance businesses globally (including Western European cards and retail banking and Japan Consumer Finance). At March 31, 2012, *LCL* consisted of approximately $147 billion of assets (with approximately $133 billion in *North America*), or approximately 71% of Citi Holdings assets, and thus represents the largest segment within Citi Holdings. The *North America* assets primarily consisted of residential mortgages (residential first mortgages and home equity loans) ($104 billion at March 31, 2012).

In millions of dollars, except as otherwise noted	First Quarter 2012	First Quarter 2011	% Change
Net interest revenue	**$ 932**	$ 1,019	(9)%
Non-interest revenue	**394**	500	(21)%
Total revenues, net of interest expense	**$ 1,326**	$ 1,519	(13)%
Total operating expenses	**$ 999**	$ 1,187	(16)%
Net credit losses	**$ 1,752**	$ 2,347	(25)%
Credit reserve build (release)	**(520)**	(556)	6%
Provision for benefits and claims	**171**	196	(13)%
Provision for unfunded lending commitments			
Provisions for credit losses and for benefits and claims	**$ 1,403**	$ 1,987	(29)%
(Loss) from continuing operations before taxes	**$ (1,076)**	$ (1,655)	35%
Benefits for income taxes	**(443)**	(646)	31%
(Loss) from continuing operations	**$ (633)**	$ (1,009)	37%
Net income attributable to noncontrolling interests	**1**		
Net (loss)	**$ (634)**	$ (1,009)	37%
Average assets *(in billions of dollars)*	**$ 157**	$ 203	(23)%
Net credit losses as a percentage of average loans	**5.31%**	5.43%	

1Q12 vs. 1Q11

The *net loss* decreased 37% year-over-year, driven primarily by the continued improving credit environment, including lower net credit losses in both the *North America* and international portfolios.

Revenues decreased 13%, driven primarily by a 9% decline year-over-year in *net interest revenue* due to lower loan balances driven by asset sales, divestitures and run-offs, partially offset by a reserve release related to customer refunds in the Japan Consumer Finance business (see "Citi Holdings *Local Consumer Lending* Japan Consumer Finance" in Citi's 2011 Annual Report of Form 10-K for additional information).

Non-interest revenue decreased 21% from the prior-year period primarily due to the impact of divestitures and a higher reserve build relating to the repurchase reserve ($185 million in the current quarter compared to $122 million in the first quarter of 2011) (see "Citigroup Residential Mortgages Representations and Warranties" below).

Expenses decreased 16% year-over-year, driven by lower volumes and divestitures. The decrease in overall *LCL* expenses was partly offset by increased expenses in the current quarter relating to the independent foreclosure review process required by the Consent Orders entered into by Citi (and other large financial institutions) with the Federal Reserve and OCC in April 2011. To comply with this requirement, Citi has retained an independent consultant to conduct a review of a sample of foreclosure actions pending, or foreclosure sales that occurred, between

January 1, 2009 and December 31, 2010 and is required to remediate potential financial injury to borrowers caused by any deficiencies identified through the review. In addition, pursuant to the independent foreclosure reviews, Citi is required to proactively contact borrowers included within the group above and offer them an opportunity to complain against improper foreclosure actions. Any such complaints will be reviewed by the independent consultant and Citi will be required to remediate potential financial injury. Borrower outreach commenced in November 2011 and the outreach process (excluding the subsequent review period) was to be completed by April 2012; however, the OCC has extended the borrower outreach process to July 2012 and has made other changes to expand the scope and size of the review. Citi expects its expenses relating to this aspect of the Consent Orders will remain elevated during the remainder of 2012 and will also be dependent on future changes, if any, in the size and scope of the process (e.g., borrower response rates). Citi continues to believe its ongoing expenses associated with the implementation of the servicing standards required by the Consent Orders, as well as the incremental servicing standards required by the national mortgage settlement approved in April 2012, will not be material. See also "Managing Global Risk Credit Risk National Mortgage Settlement" below.

Provisions decreased 29% year-over-year driven by lower credit losses. Net credit losses decreased 25% driven by credit improvements in both the *North America* ($425 million) and international ($170 million) portfolios. *North America* mortgage net credit losses included approximately $370 million of incremental charge-offs related to previously deferred principal balances on modified mortgages, substantially all of which were offset by a specific reserve release. These charge-offs were

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related to anticipated forgiveness of principal in connection with the national mortgage settlement, and Citi expects mortgage net credit losses will continue to be impacted by principal forgiveness related to the national mortgage settlement. See also "Managing Global Risk Credit Risk National Mortgage Settlement" below. However, Citi also continues to believe that its loan loss reserves will be sufficient to cover these charge-offs. Excluding the incremental charge-offs, net credit losses in *LCL* would have declined 41%. Loan loss reserve releases decreased 6%. This decrease was partly offset by the aforementioned reserve release related to the charge-offs on previously deferred principal balances on modified mortgages.

Assets declined 25% from the prior-year period, driven by the impact of asset sales and portfolio run-off, including declines in *North America* mortgages ($17 billion) and international loans ($8 billion).

SPECIAL ASSET POOL

Special Asset Pool (SAP) had approximately $36 billion of assets as of March 31, 2012, which constituted approximately 17% of Citi Holdings assets as of such date. *SAP* consists of a portfolio of securities, loans and other assets that Citigroup intends to continue to reduce over time through asset sales and portfolio run-off.

	First Quarter		%
In millions of dollars, except as otherwise noted	**2012**	**2011**	**Change**
Net interest revenue	**$ (102)**	$ 59	NM
Non-interest revenue	**(304)**	(66)	NM
Revenues, net of interest expense	**$ (406)**	$ (7)	NM
Total operating expenses	**$ 63**	$ 82	(23)%
Net credit losses	**$ (18)**	$ 670	NM
Provision (releases) for unfunded lending commitments	**(26)**	21	NM
Credit reserve builds (releases)	**(29)**	(1,001)	97%
Provisions for credit losses and for benefits and claims	**$ (73)**	$ (310)	76%
Income (loss) from continuing operations before taxes	**$ (396)**	$ 221	NM
Income taxes (benefits)	**(141)**	159	NM
Net income (loss) from continuing operations	**$ (255)**	$ 62	NM
Net income (loss) attributable to noncontrolling interests		59	(100)%
Net income (loss)	**$ (255)**	$ 3	NM
EOP assets *(in billions of dollars)*	**$ 36**	$ 73	(51)%

NM
Not meaningful

1Q12 vs. 1Q11

Net income decreased $258 million year-over-year, driven by the decline in revenues due to lower asset balances as well as lower loan loss reserve releases, partially offset by lower expenses and lower net credit losses.

Revenues decreased $399 million from the prior-year period driven by a *net interest revenue* decline of $161 million and a *non-interest revenue* decline of $238 million. The decrease in *net interest revenue* was driven by the continued decline in interest-earning assets. Citi continues to expect to incur negative carrying costs in *SAP* going forward as the non-interest-earning assets in *SAP*, which require funding, represent the larger portion of the total asset pool. The decrease in *non-interest revenue* was driven by lower positive private equity marks as compared to the prior-year period and a repurchase reserve build of $150 million related to private-label mortgage securitizations, partly offset by lower losses on asset sales and the absence of a $709 million pretax net loss from the transfer of $12.7 billion of securities out of investments held-to-maturity during the first quarter of 2011.

Expenses decreased 23%, driven by lower volume and asset levels, as well as lower legal and related costs.

Provisions increased 76% year-over-year as a decrease in loan loss reserve releases ($29 million in the current quarter compared to a release of $1 billion in the prior-year period) was partially offset by a $688 million decrease in net credit losses.

Assets in *SAP* declined 51% year-over-year, primarily driven by sales, amortization and prepayments.

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CORPORATE/OTHER

Corporate/Other includes unallocated global staff functions (including finance, risk, human resources, legal and compliance), other corporate expense and unallocated global operations and technology expenses, Corporate Treasury and Corporate items and discontinued operations. At March 31, 2012, this segment had approximately $312 billion of assets, or 16% of Citigroup's total assets, consisting primarily of Citi's liquidity portfolio.

	First Quarter	
In millions of dollars	**2012**	**2011**
Net interest revenue	**$ 13**	$ 11
Non-interest revenue	**487**	(72)
Revenues, net of interest expense	**$ 500**	$ (61)
Total operating expenses	**$ 795**	$ 647
Provisions for loan losses and for benefits and claims		1
Loss from continuing operations before taxes	**$ (295)**	$ (709)
Provision (benefits) for income taxes	**17**	(230)
Loss from continuing operations	**$ (312)**	$ (479)
Income (loss) from discontinued operations, net of taxes	**(5)**	40
Net loss before attribution of noncontrolling interests	**$ (317)**	$ (439)
Net (loss) attributable to noncontrolling interests	**63**	
Net (loss)	**$ (380)**	$ (439)

1Q12 vs. 1Q11

The *net loss* of $380 million improved by $59 million year-over-year. The improvement in the net loss was primarily due to an increase in revenues that was offset by an increase in expenses as well as the absence of a net pretax gain of $40 million on the announced sale of the Egg Banking PLC credit card business recorded in discontinued operations in the prior-year period.

Revenues increased $561 million year-over-year, primarily driven by the net pretax gain of $477 million from minority investments (see the "Executive Summary" above for details on the net gain/(loss) from minority investments in the first quarter of 2012). Gains from portfolio repositioning, primarily from the sale of available-for-sale securities, were offset by losses on hedging activities.

Expenses increased by 23%, largely driven by higher legal and related costs.

BALANCE SHEET REVIEW

The following sets forth a general discussion of the changes in certain of the more significant line items of Citi's Consolidated Balance Sheet during the first quarter of 2012. For additional information on Citigroup's deposits, short-term and long-term debt and secured financing transactions, see "Capital Resources and Liquidity Funding and Liquidity" below.

In billions of dollars	March 31, 2012	December 31, 2011	March 31, 2011	1Q12 vs. 4Q11 Increase (decrease)	% Change	1Q12 vs. 1Q11 Increase (decrease)	% Change
Assets							
Cash and deposits with banks	**$ 210**	$ 184	$ 191	$ 26	14%	$ 19	10%
Federal funds sold and securities borrowed or purchased under agreements to resell	**289**	276	261	13	5	28	11
Trading account assets	**307**	292	323	15	5	(16)	(5)
Investments	**297**	293	327	4	1	(30)	(9)
Loans, net of unearned income and allowance for loan losses	**619**	617	601	2		18	3
Other assets	**222**	212	245	10	5	(23)	(9)
Total assets	**$ 1,944**	$ 1,874	$ 1,948	$ 70	4%	$ (4)	%
Liabilities							
Deposits	**$ 906**	$ 866	$ 866	$ 40	5%	$ 40	5%
Federal funds purchased and securities loaned or sold under agreements to repurchase	**226**	198	188	28	14	38	20
Trading account liabilities	**136**	126	146	10	8	(10)	(7)
Short-term borrowings and long-term debt	**367**	378	455	(11)	(3)	(88)	(19)
Other liabilities	**125**	126	120	(1)	(1)	5	4
Total liabilities	**$ 1,760**	$ 1,694	$ 1,775	$ 66	4%	$ (15)	(1)%
Total equity	**$ 184**	$ 180	$ 173	$ 4	2%	$ 11	6%
Total liabilities and equity	**$ 1,944**	$ 1,874	$ 1,948	$ 70	4%	$ (4)	%

ASSETS

Cash and Deposits with Banks

Cash and deposits with banks is comprised of both *Cash and due from banks* and *Deposits with banks*. Cash and due from banks includes (i) cash on hand at Citi's domestic and overseas offices, and (ii) non-interest-bearing balances due from banks, including non-interest-bearing demand deposit accounts with correspondent banks, central banks (such as the Federal Reserve Bank), and other banks or depository institutions for normal operating purposes. *Deposits with banks* includes interest-bearing balances, demand deposits and time deposits held in or due from banks (including correspondent banks, central banks and other banks or depository institutions) maintained for, among other things, normal operating and regulatory reserve requirement purposes.

During the first quarter of 2012, Citi's cash and deposits with banks increased 14% as compared to the prior quarter, driven by a $28 billion, or 18%, increase in deposits with banks offset by a $2 billion, or 8%, decrease in cash and due from banks. These changes resulted from Citi's normal operations during the quarter, including growth in customer deposits.

Federal Funds Sold and Securities Borrowed or Purchased Under Agreements to Resell (Reverse Repos)

Federal funds sold consist of unsecured advances of excess balances in reserve accounts held at the Federal Reserve Banks to third parties. During the first quarter of 2012, Citi's federal funds sold were not significant.

Reverse repos and securities borrowing transactions increased by 5% as compared to the fourth quarter of 2011 and increased by 11% as compared to the first quarter of 2011. The majority of this increase was driven by additional lending to clients in response to increased client demand for secured financing.

Trading Account Assets

Trading account assets includes debt and marketable equity securities, derivatives in a net receivable position, residual interests in securitizations and physical commodities inventory. In addition, certain assets that Citigroup has elected to carry at fair value, such as certain loans and purchase guarantees, are also included in trading account assets.

As of the end of the first quarter of 2012, trading account assets increased 5% compared to the fourth quarter of 2011 primarily due to increases in equity securities ($13 billion, or 38%) and corporate bonds ($3 billion, or 8%), partially offset by a $6 billion, or 9%, decrease in derivative assets. Excluding net revaluation gains, trading account assets were $250 billion at the end of the first quarter of 2012, compared to $229 billion at the end of the fourth quarter of 2011 and $276 billion at the end of the first quarter of 2011. The increase in trading account assets quarter-over-quarter reflected increased customer activity and the improved operating environment in the first quarter as compared to the prior quarter, where trading assets decreased during the latter part of the quarter.

Average trading account assets were $247 billion in the first quarter of 2012, compared to $248 billion in the fourth quarter of 2011 and $276 billion in the first quarter of 2011.

For further information on Citi's trading account assets, see Notes 1 and 10 to the Consolidated Financial Statements.

Investments

Investments consist of debt and equity securities that are available-for-sale, debt securities that are held-to-maturity, non-marketable equity securities that are carried at fair value, and non-marketable equity securities carried at cost. Debt securities include bonds, notes and redeemable preferred stock, as well as certain mortgage-backed and asset-backed securities and other structured notes. Marketable and non-marketable equity securities carried at fair value include common and nonredeemable preferred stock. Non-marketable equity securities carried at cost primarily include equity shares issued by the Federal Reserve Bank and the Federal Home Loan Banks that Citigroup is required to hold.

During the first quarter of 2012, Citi's investments increased by 1%, primarily due to a $5 billion, or 2%, increase in available-for-sale securities (predominantly U.S. Treasury and federal agency securities and foreign government securities), partially offset by $2 billion in sales, primarily reflecting the sales of HDFC and SPDB in the first quarter of 2012 (see the "Executive Summary" above). The increase in available-for-sale securities was partially offset by a $1 billion decrease in held-to-maturity securities.

For further information regarding *Investments*, see Notes 1 and 11 to the Consolidated Financial Statements.

Loans

Loans represent the largest asset category of Citi's balance sheet. Citi's total loans (as discussed throughout this section, net of unearned income) were $648 billion at March 31, 2012, compared to $647 billion at December 31, 2011 and $637 billion at March 31, 2011. Excluding the impact of FX translation in all periods, loans decreased 1% versus December 31, 2011, reflecting continued declines in Citi Holdings as well as seasonal declines in card loans in Citicorp, which outpaced growth in Corporate loans during the quarter. However, loans increased 2% versus March 31, 2011, as growth in Citicorp outpaced the continued loan declines in Citi Holdings. At March 31, 2012, Consumer and Corporate loans represented 64% and 36%, respectively, of Citi's total loans.

In Citicorp, loans have increased for seven consecutive quarters, including the first quarter of 2012. On a sequential basis, while Citicorp Consumer loans remained flat, Corporate loans increased 4%. The Corporate loan growth quarter-over-quarter was driven by *Transaction Services* (13% growth), particularly from increased trade finance lending in *Asia*, *Latin America* and *EMEA*. Consumer loans were flat quarter-over-quarter as the impact of FX translation and retail loan growth was offset by lower card loans, as the higher balances resulting from holiday-season spending in the fourth quarter of 2011 were repaid, particularly in *North America*.

Year-over-year, Citicorp loans were up 12% to $514 billion as of March 31, 2012, including 6% growth in Consumer (7%, excluding the impact of FX translation) and 23% growth in Corporate loans (23%, excluding the impact of FX translation). The year-over-year growth in Consumer loans was primarily driven by international *Global Consumer Banking*, which increased 8%, led by *Asia* and *Latin America*. Citi believes this growth reflected the continued economic growth in these regions, as well as its investment spending in these areas, which drove growth in both cards and retail banking loans. *North America* Consumer loans increased 4% year-over-year driven by retail banking loans as the cards market continued to reflect both consumer de-leveraging as well as CARD Act and other regulatory changes. The increase in Corporate loan growth year-over-year was largely due to *Transaction Services* (up 45% year-over-year), primarily from increased trade finance lending in *Asia, Latin America* and *EMEA*, as well as growth in the Corporate loan portfolio within *Securities and Banking* (up 15% year-over-year).

In contrast, Citi Holdings loans declined 5% as compared to December 31, 2011 and 26% year-over-year, due to the continued run-off and asset sales in the portfolios.

During the first quarter of 2012, average loans of $647 billion yielded an average rate of 7.8%, compared to $645 billion and 7.7% in the fourth quarter of 2011 and $639 billion and 7.8%, respectively, in the first quarter of 2011.

For further information on Citi's loan portfolios, see generally "Managing Global Risk Credit Risk" below and Notes 1 and 12 to the Consolidated Financial Statements.

Other Assets

Other assets consists of *Brokerage receivables, Goodwill, Intangibles* and *Mortgage servicing rights* in addition to *Other assets* (including, among other items, loans held-for-sale, deferred tax assets, equity-method investments, interest and fees receivable, premises and equipment, certain end-user derivatives in a net receivable position, repossessed assets and other receivables). During the first quarter of 2012, other assets increased 5%, primarily due to a $12 billion increase in *Brokerage receivables* resulting from increased customer activity and the timing of trade date versus settlement date receivables.

For further information regarding *Goodwill* and *Intangible assets*, see "Credit Risk Mortgage Servicing Rights" below and Note 14 to the Consolidated Financial Statements.

LIABILITIES

Deposits

Deposits represent customer funds that are payable on demand or upon maturity. For a discussion of Citi's deposits, see "Capital Resources and Liquidity Funding and Liquidity" below.

Federal Funds Purchased and Securities Loaned or Sold Under Agreements To Repurchase (Repos)

Federal funds purchased consist of unsecured advances of excess balances in reserve accounts held at the Federal Reserve Banks from third parties. During the first quarter of 2012, Citi's federal funds purchased were not significant.

For further information on Citi's secured financing transactions, including repos and securities lending transactions, see "Capital Resources and Liquidity Funding and Liquidity" below.

Trading Account Liabilities

Trading account liabilities includes securities sold, not yet purchased (short positions) and derivatives in a net payable position, as well as certain liabilities that Citigroup has elected to carry at fair value.

During the first quarter of 2012, trading account liabilities increased by 8%. In the first quarter of 2012, average trading account liabilities were $77 billion, compared to $76 billion in the fourth quarter of 2011 and $81 billion in the first quarter of 2011.

For further information on Citi's *Trading account liabilities*, see Notes 1 and 10 to the Consolidated Financial Statements.

Debt

Debt is composed of both short-term and long-term borrowings. Long-term borrowings include senior notes, subordinated notes, trust preferred securities and securitizations. Short-term borrowings include commercial paper and borrowings from unaffiliated banks and other market participants. For further information on Citi's long-term and short-term debt, see "Capital Resources and Liquidity Funding and Liquidity" below and Notes 1 and 15 to the Consolidated Financial Statements.

Other Liabilities

Other liabilities consists of *Brokerage payables* and *Other liabilities* (including, among other items, accrued expenses and other payables, deferred tax liabilities, certain end-user derivatives in a net payable position, and reserves for legal claims, taxes, restructuring, unfunded lending commitments, and other matters). During the first quarter of 2012, *Other liabilities* decreased by 1% as compared to the fourth quarter of 2011, and increased by 4% as compared to the first quarter of 2011.

SEGMENT BALANCE SHEET AT MARCH 31, 2012(1)

In millions of dollars	Global 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	$ 9,284	$ 15,565	$ 24,849	$ 879	$ 777	$ 26,505
Deposits with banks	7,925	54,189	62,114	1,380	120,455	183,949
Federal funds sold and securities borrowed or purchased under agreements to resell	5,694	281,016	286,710	2,347		289,057
Brokerage receivables		25,916	25,916	10,660	2,867	39,443
Trading account assets	14,468	281,580	296,048	10,461	541	307,050
Investments	29,587	100,755	130,342	26,822	140,159	297,323
Loans, net of unearned income						
Consumer	286,219		286,219	129,884		416,103
Corporate		228,004	228,004	3,915		231,919
Loans, net of unearned income	286,219	228,004	514,223	133,799		648,022
Allowance for loan losses	(13,508)	(2,798)	(16,306)	(12,714)		(29,020)
Total loans, net	272,711	225,206	497,917	121,085		619,002
Goodwill	14,692	10,957	25,649	161		25,810
Intangible assets (other than MSRs)	5,215	855	6,070	343		6,413
Mortgage servicing rights (MSRs)	1,529	89	1,618	1,073		2,691
Other assets	28,136	38,498	66,634	33,835	46,711	147,180
Total assets	**$ 389,241**	**$ 1,034,626**	**$ 1,423,867**	**$ 209,046**	**$ 311,510**	**$ 1,944,423**
Liabilities and equity						
Total deposits	$ 323,141	$ 516,136	$ 839,277	$ 63,145	$ 3,590	$ 906,012
Federal funds purchased and securities loaned or sold under agreements to repurchase	6,564	219,443	226,007	1		226,008
Brokerage payables		54,502	54,502	6	2,458	56,966
Trading account liabilities	50	133,819	133,869	1,349	738	135,956
Short-term borrowings	227	43,180	43,407	330	11,874	55,611
Long-term debt	3,162	61,817	64,979	9,238	236,862	311,079
Other liabilities	18,315	23,793	42,108	13,046	13,914	69,068
Net inter-segment funding (lending)	37,782	(18,064)	19,718	121,931	(141,649)	
Total Citigroup stockholders' equity					181,820	181,820
Noncontrolling interest					1,903	1,903
Total equity	**$**	**$**	**$**	**$**	**$ 183,723**	**$ 183,723**
Total liabilities and equity	**$ 389,241**	**$ 1,034,626**	**$ 1,423,867**	**$ 209,046**	**$ 311,510**	**$ 1,944,423**

(1) The supplemental information presented in the table above reflects Citigroup's consolidated GAAP balance sheet by reporting segment as of March 31, 2012. The respective segment information 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 inter-relationship of the asset and liability dynamics of the balance sheet components among Citi's business segments.

CAPITAL RESOURCES AND LIQUIDITY

CAPITAL RESOURCES

Overview

Capital is used primarily to support assets in Citi's businesses and to absorb market, credit or operational losses. Citi generates capital through earnings from its operating businesses. Citi may augment its capital through issuances of common stock, perpetual preferred stock and equity issued through awards under employee benefit plans, among other issuances. Citi has also augmented its regulatory capital through the issuance of debt underlying trust preferred securities, although the treatment of such instruments as regulatory capital will be phased out under Basel III and The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (see the "Regulatory Capital Standards" and "Risk Factors Regulatory Risks" sections of Citi's 2011 Annual Report on Form 10-K). Further, the impact of future events on Citi's business results, such as corporate and asset dispositions, as well as changes in regulatory and accounting standards, may also affect Citi's capital levels.

For additional information on Citi's capital resources, including an overview of Citigroup's capital management framework and regulatory capital standards and developments, see "Capital Resources and Liquidity Capital Resources" and "Risk Factors" in Citigroup's 2011 Annual Report on Form 10-K.

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 trust preferred securities, 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.

In 2009, the U.S. banking regulators developed a new measure of capital termed "Tier 1 Common," which is defined as Tier 1 Capital less non-common elements, including qualifying perpetual preferred stock, qualifying noncontrolling interests, and qualifying trust preferred securities. For more detail on all of these capital metrics, 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 current 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 not be subject to a Federal Reserve Board directive to maintain higher capital levels. In addition, the Federal Reserve Board expects bank holding companies to maintain a minimum Leverage ratio of 3% or 4%, depending on factors specified in its regulations. The following table sets forth Citigroup's regulatory capital ratios as of March 31, 2012 and December 31, 2011:

Citigroup Regulatory Capital Ratios

	Mar. 31, 2012	Dec. 31, 2011
Tier 1 Common	**12.50%**	11.80%
Tier 1 Capital	**14.26**	13.55
Total Capital (Tier 1 Capital + Tier 2 Capital)	**17.64**	16.99
Leverage	**7.55**	7.19

As indicated in the table above, Citigroup was "well capitalized" under the current federal bank regulatory agency definitions as of March 31, 2012 and December 31, 2011.

In addition to the current regulatory capital ratios and guidelines discussed above, as more fully described in "Capital Resources and Liquidity Capital Resources Regulatory Capital Standards" of Citi's 2011 Annual Report on Form 10-K, the Basel Committee has issued final rules to further strengthen existing capital requirements (Basel III). While the U.S. banking agencies have yet to issue the proposed U.S. version of the Basel III rules, Citi estimates that, as of March 31, 2012, its Basel III Tier 1 Common ratio was 7.2%. Citi's estimate of its Tier 1 Common ratio under Basel III as of March 31, 2012 is based on its current interpretation, expectations and understanding of the Basel III requirements, and is subject to final regulatory clarity and rulemaking, model calibration and other final implementation guidance.

Components of Capital Under Current Regulatory Guidelines

In millions of dollars	March 31, 2012	December 31, 2011
Tier 1 Common Capital		
Citigroup common stockholders' equity	**$ 181,508**	$ 177,494
Less: Net unrealized losses on securities available-for-sale, net of tax(1)(2)	**(809)**	(35)
Less: Net unrealized loss on available-for-sale equity securities, net of tax	**79**	
Less: Accumulated net losses on cash flow hedges, net of tax	**(2,600)**	(2,820)
Less: Pension liability adjustment, net of tax(3)	**(4,372)**	(4,282)
Less: Cumulative effect included in fair value of financial liabilities attributable to the change in own creditworthiness, net of tax(4)	**480**	1,265
Less: Disallowed deferred tax assets(5)	**36,136**	37,980
Less: Intangible assets:		
Goodwill	**25,810**	25,413
Other disallowed intangible assets	**4,472**	4,550
Other	**(560)**	(569)
Total Tier 1 Common Capital	**$ 121,752**	$ 114,854
Tier 1 Capital		
Qualifying perpetual preferred stock	**$ 312**	$ 312
Qualifying mandatorily redeemable securities of subsidiary trusts	**15,913**	15,929
Qualifying noncontrolling interests	**862**	779
Total Tier 1 Capital	**$ 138,839**	$ 131,874
Tier 2 Capital		
Allowance for credit losses(6)	**$ 12,410**	$ 12,423
Qualifying subordinated debt(7)	**20,507**	20,429
Net unrealized pretax gains on available-for-sale equity securities(1)		658
Total Tier 2 Capital	**$ 32,917**	$ 33,510
Total Capital (Tier 1 Capital + Tier 2 Capital)	**$ 171,756**	$ 165,384
Risk-weighted assets (RWA)(8)	**$ 973,730**	$ 973,369

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(1) 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.

(2) In addition, includes the net amount of unamortized loss on held-to-maturity (HTM) securities. This amount relates to securities which were previously transferred from AFS to HTM, and non-credit-related factors such as changes in interest rates and liquidity spreads for HTM securities with other-than-temporary-impairment.

(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 changes in Citigroup's own creditworthiness 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 $52 billion of net deferred tax assets at March 31, 2012, approximately $11 billion of such assets were includable without limitation in regulatory capital pursuant to risk-based capital guidelines, while approximately $36 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 $5 billion of other net deferred tax assets primarily represented effects of the pension liability and cash flow hedges adjustments, which are permitted to be excluded prior to deriving the amount of net deferred tax assets subject to limitation under the guidelines.

(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 $65 billion for interest rate, commodity and equity derivative contracts, foreign exchange contracts, and credit derivatives as of March 31, 2012, compared with $67 billion as of December 31, 2011. Market risk equivalent assets included in risk-weighted assets amounted to $40.7 billion at March 31, 2012 and $46.8 billion at December 31, 2011. 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.

Common Stockholders' Equity

Citigroup's common stockholders' equity increased during the three months ended March 31, 2012 by $4.0 billion to $181.5 billion, and represented 9% of total assets as of March 31, 2012. The table below summarizes the change in Citigroup's common stockholders' equity during the first quarter of 2012:

In billions of dollars		
Common stockholders' equity, December 31, 2011	**$**	**177.5**
Citigroup's net income		**2.9**
Employee benefit plans and other activities(1)		
Net change in accumulated other comprehensive income (loss), net of tax		**1.1**
Common stockholders' equity, March 31, 2012	**$**	**181.5**

(1) As of March 31, 2012, $6.7 billion of common stock repurchases remained under Citi's authorized repurchase programs. No material repurchases were made in the first quarter of 2012.

Tangible Common Equity and Tangible Book Value Per Share

Tangible common equity (TCE), as defined by Citigroup, represents common equity less goodwill, intangible assets (other than mortgage servicing rights (MSRs), and related net deferred tax assets. Other companies may calculate TCE in a manner different from that of Citigroup. Citi's TCE was $149.2 billion at March 31, 2012 and $145.4 billion at December 31, 2011. The TCE ratio (TCE divided by risk-weighted assets) was 15.3% at March 31, 2012 and 14.9% at December 31, 2011.

TCE and tangible book value per share, as well as related ratios, are capital adequacy metrics used and relied upon by investors and industry analysts; however, they are non-GAAP financial measures for SEC purposes. A reconciliation of Citigroup's total stockholders' equity to TCE, and book value per share to tangible book value per share, as of March 31, 2012 and December 31, 2011, follows:

In millions of dollars or shares, except ratios and per-share data		**Mar. 31, 2012**		**Dec. 31, 2011**
Total Citigroup stockholders' equity	**$**	**181,820**	$	177,806
Less:				
Preferred stock		**312**		312
Common equity	**$**	**181,508**	$	177,494
Less:				
Goodwill		**25,810**		25,413
Intangible assets (other than MSRs)		**6,413**		6,600
Related net deferred tax assets		**41**		44
Tangible common equity (TCE)	**$**	**149,244**	$	145,437
Tangible assets				
GAAP assets	**$**	**1,944,423**	$	1,873,878
Less:				
Goodwill		**25,810**		25,413
Intangible assets (other than MSRs)		**6,413**		6,600
Related deferred tax assets		**327**		322
Tangible assets (TA)	**$**	**1,911,873**	$	1,841,543
Risk-weighted assets (RWA)	**$**	**973,730**	$	973,369
TCE/TA ratio		**7.81%**		7.90%

TCE/RWA ratio	**15.33%**	14.94%
Common shares outstanding (CSO)	**2,932.2**	2,923.9
Book value per share (common equity/CSO)	**$ 61.90**	$ 60.70
Tangible book value per share (TCE/CSO)	**$ 50.90**	$ 49.74

Capital Resources of Citigroup's U.S. Depository Institutions

Citigroup's U.S. subsidiary depository institutions are also 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.

The following table sets forth the capital tiers and capital ratios of Citibank, N.A., Citi's primary U.S. subsidiary depository institution, as of March 31, 2012 and December 31, 2011:

Citibank, N.A. Capital Tiers and Capital Ratios Under Regulatory Guidelines

In billions of dollars, except ratios	**Mar. 31, 2012**	**Dec. 31, 2011**
Tier 1 Common Capital	**$ 126.4**	$ 121.3
Tier 1 Capital	**127.1**	121.9
Total Capital (Tier 1 Capital + Tier 2 Capital)	**137.5**	134.3
Tier 1 Common ratio	**15.46%**	14.63%
Tier 1 Capital ratio	**15.54**	14.70
Total Capital ratio	**16.81**	16.20
Leverage ratio	**10.06**	9.66

Impact of Changes on Capital Ratios

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 Capital, 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, 2012. 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 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 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	1.0 bps	1.3 bps	1.0 bps	1.5 bps	1.0 bps	1.8 bps	0.5 bps	0.4 bps
Citibank, N.A.	1.2 bps	1.9 bps	1.2 bps	1.9 bps	1.2 bps	2.1 bps	0.8 bps	0.8 bps

Broker-Dealer Subsidiaries

At March 31, 2012, Citigroup Global Markets Inc., a broker-dealer registered with the SEC that is an indirect wholly owned subsidiary of Citigroup, had net capital, computed in accordance with the SEC's net capital rule, of $6.8 billion, which exceeded the minimum requirement by $6.0 billion.

In addition, certain of Citi's other broker-dealer subsidiaries are subject to regulation in the 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, 2012.

FUNDING AND LIQUIDITY

Overview

Citi's funding and liquidity objectives generally are to maintain liquidity to fund its existing asset base as well as grow its core businesses in Citicorp, while at the same time maintain sufficient excess liquidity, structured appropriately, so that it can operate under a wide variety of market conditions, including market disruptions for both short- and long-term periods. Citigroup's primary liquidity objectives are established by entity, and in aggregate, across three major categories:

(i) the non-bank, which is largely composed of the parent holding company (Citigroup) and Citi's broker-dealer subsidiaries (collectively referred to in this section as "non-bank");

(ii) Citi's significant bank entities, such as Citibank, N.A. and its significant subsidiaries (collectively referred to in this section as "significant Citibank entities"); and

(iii) other Citibank and Banamex entities.

At an aggregate level, Citigroup's goal is to ensure that there is sufficient funding in amount and tenor to ensure that aggregate liquidity resources are available for these entities. The liquidity framework requires that entities be self-sufficient or net providers of liquidity, including in conditions established under their designated stress tests, and have excess cash capital.

Citi's primary sources of funding include (i) deposits via Citi's bank subsidiaries, which continue to be Citi's lowest cost source of long-term funding, (ii) long-term debt (including long-term collateralized financings) issued at the non-bank level and certain bank subsidiaries, and (iii) stockholders' equity. These sources are supplemented by short-term borrowings, primarily in the form of secured financing transactions (securities loaned or sold under agreements to repurchase, or repos), and commercial paper at the non-bank level.

As referenced above, Citigroup works to ensure that the structural tenor of these funding sources is sufficiently long in relation to the tenor of its asset base. The key goal of Citi's asset-liability management is to ensure that there is excess tenor in the liability structure so as to provide excess liquidity to fund the assets. The excess liquidity resulting from a longer-term tenor profile can effectively offset potential decreases in liquidity that may occur under stress. This excess funding is held in the form of aggregate liquidity resources, as described below.

Aggregate Liquidity Resources

In billions of dollars	Non-bank(1) Mar. 31, 2012	Non-bank(1) Mar. 31, 2011	Significant Citibank Entities Mar. 31, 2012	Significant Citibank Entities Mar. 31, 2011	Other Citibank and Banamex Entities Mar. 31, 2012	Other Citibank and Banamex Entities Mar. 31, 2011	Total Mar. 31, 2012	Total Mar. 31, 2011
Cash at major central banks	**$ 24.9**	$ 12.1	**$ 99.6**	$ 81.5	**$ 9.4**	$ 34.7	**$ 133.9**	$ 128.3
Unencumbered liquid securities	**67.6**	83.4	**135.8**	167.6	**83.3**	67.8	**286.7**	318.8
Total	**$ 92.5**	$ 95.5	**$ 235.4**	$ 249.1	**$ 92.7**	$ 102.5	**$ 420.5**	$ 447.1

(1) Non-bank includes the parent holding company (Citigroup), Citigroup Funding Inc. (CFI) and broker-dealer entities.

As set forth in the table above, Citigroup's aggregate liquidity resources totaled $420.5 billion at March 31, 2012, compared with $447.1 at March 31, 2011. These amounts are as of period-end and may increase or decrease intra-period in the ordinary course of business. During the quarter ended March 31, 2012, the intra-quarter amounts did not fluctuate materially from the quarter-end amounts noted above.

At March 31, 2012, Citigroup's non-bank aggregate liquidity resources totaled $92.5 billion, compared with $95.5 billion at March 31, 2011. This amount included unencumbered liquid securities and cash held in Citi's U.S. and non-U.S. broker-dealer entities.

Citigroup's significant Citibank entities had approximately $235.4 billion of aggregate liquidity resources as of March 31, 2012. This amount included $99.6 billion of cash on deposit with major central banks (including the U.S. Federal Reserve Bank, 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 $81.5 billion at March 31, 2011. The significant Citibank entities' liquidity resources also included unencumbered highly liquid government and government-backed securities. These securities are available-for-sale or secured financing through private markets or by pledging to the major central banks. The liquidity value of these securities was $135.8 billion at March 31, 2012, compared with $167.6 billion at March 31, 2011. As shown in the table above, overall, liquidity at Citi's significant Citibank entities was down year-over-year as Citi deployed some of its excess bank liquidity into loan growth within Citicorp (see "Balance Sheet Review" above) and paid down long-term bank debt.

Citi estimates that its other Citibank and Banamex entities and subsidiaries held approximately $92.7 billion in aggregate liquidity resources as of March 31, 2012. This included $9.4 billion of cash on deposit with major central banks and $83.3 billion of unencumbered liquid securities.

Citi's table of aggregate liquidity resources above does not include additional potential liquidity in the form of Citigroup's borrowing capacity at the U.S. Federal Reserve Bank discount window, international central banks, and from the various Federal Home Loan Banks (FHLB), which is maintained by pledged collateral to all such banks. Citi also maintains additional liquidity available in the form of diversified high grade non-government securities.

Moreover, in general, Citigroup can freely fund legal entities within its bank vehicles. In addition, Citigroup's bank subsidiaries, including Citibank, N.A., can lend to the Citigroup parent and broker-dealer entities in accordance with Section 23A of the Federal Reserve Act. As of March 31, 2012, the amount available for lending to these non-bank entities under

Section 23A was approximately $20 billion, provided the funds are collateralized appropriately.

Deposits

As of March 31, 2012, approximately 80% of Citi's bank subsidiaries are funded by deposits. Citi continued to focus on maintaining a geographically diverse retail and corporate deposits base that stood at $906 billion at March 31, 2012, up 5%, or $40 billion, from the prior-year period, and included 7% year-over-year growth in Citicorp. The increase in deposits year-over-year was largely due to higher deposit volumes in each of Citicorp's deposit-taking businesses, including *Transaction Services*, *Securities and Banking* (primarily the Private Bank) and *Global Consumer Banking*. Year-over-year deposit growth occurred in *North America*, Europe and *Asia*, as customer demand continued a "flight to quality" given the uncertain macroeconomic environment. As of March 31, 2012, approximately 61% of Citi's deposits were located outside of the United States. These increases in deposits in Citicorp were partially offset by a continued decrease in deposits in Citi Holdings.

In addition to deposit growth, the composition of Citi's deposits, within *Securities and Banking* (primarily the Private Bank), *Transaction Services* and *Global Consumer Banking*, has shifted year-over-year. Specifically, time deposits, where rates are fixed for the term of the deposit and have generally lower margins, became a smaller proportion of the deposit base, whereas operating balances (which Citi defines as checking and savings accounts for individuals, as well as cash management accounts for corporations) became a larger proportion of deposits. Citi continues to believe that operating accounts provide wider margins and exhibit retentive behavior. At March 31, 2012, operating balances represented 76% and 73% of total deposits in each of *Global Consumer Banking* and Citi's institutional businesses, respectively. In addition, operating balances represented 74% of Citicorp's deposit base as of March 31, 2012, compared to 71% as of March 31, 2011 and 62% at March 31, 2010.

Deposits can be interest-bearing or non-interest-bearing. Of Citi's $906 billion of deposits as of March 31, 2012, $183 billion were non-interest-bearing, compared to $144 billion at March 31, 2011. The remainder, or $723 billion, was interest-bearing, compared to $722 billion at March 31, 2011.

While Citi's deposits have grown year-over-year, Citi's overall cost of funds on deposits decreased, reflecting the low rate environment as well as Citi's ability to lower price points that widens its margins given the high levels of customer liquidity while still remaining competitive. Citi's average rate on total deposits was 0.94% at March 31, 2012, compared with 0.96% at March 31, 2011. Excluding the impact of the higher FDIC assessment effective beginning in the second quarter of 2011 and deposit insurance, the average rate on Citi's total deposits was 0.76% at March 31, 2012, compared with 0.85% at March 31, 2011. Citi would, however, expect to see pressure on these rates due to competitive pricing in certain regions or as interest rates increase.

Long-Term Debt

Long-term debt (generally defined as original maturities of one year or more) represents the most significant component of Citi's funding for its non-bank entities, or 35% of the funding in the non-bank entities as of March 31, 2012. The vast majority of this funding is comprised of senior term debt, along with subordinated instruments and trust preferred securities. Long-term debt is an important funding source for Citi's non-bank entities due in part to its multi-year maturity structure. The weighted average maturities of long-term debt (greater than one year remaining life) issued by Citigroup, CFI, CGMHI and Citibank, N.A., excluding trust preferred securities, was approximately 6.9 years at March 31, 2012, compared to 6.5 years at March 31, 2011.

The following table sets forth Citigroup's total long-term debt outstanding for the periods indicated:

In billions of dollars	**March 31, 2012**	December 31, 2011	March 31, 2011
Non-bank	**$ 240.4**	$ 247.0	$ 267.4
Bank(1)(2)	**70.7**	76.5	109.1
Total	**$ 311.1(3)**	$ 323.5	$ 376.5

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(1)
Collateralized advances from the FHLB were approximately $11.0 billion, $11.0 billion, and $17.5 billion, respectively, at March 31, 2012, December 31, 2011, and March 31, 2011. These advances are reflected in the table above.

(2)

Includes long-term debt related to consolidated VIEs of approximately $43.4 billion, $48.8 billion, and $64.3 billion, respectively, at March 31, 2012, December 31, 2011, and March 31, 2011. The majority of these VIEs relate to the Citibank Credit Card Master Trust and the Citibank OMNI Master Trust.

(3)

Of this amount, approximately $34.5 billion maturing during the remainder of 2012 is guaranteed by the FDIC under the Temporary Liquidity Guarantee Program (TLGP).

As set forth in the table above, Citi's overall long-term debt has decreased by approximately $65 billion year-over-year. In the non-bank, the year-over-year decrease was primarily due to TLGP run-off that was not refinanced. In the bank entities, the decrease was also driven by TLGP run-off as well as FHLB reductions and the maturing of credit card securitization debt, particularly as Citi has grown its overall deposit base. Citi currently expects a continued decline in its overall long-term debt over 2012, particularly within its bank entities.

Given its liquidity resources as of March 31, 2012, Citi has, and may continue to, consider opportunities to repurchase its long-term and short-term debt pursuant to open market purchases, tender offers or other means. Such repurchases further decrease Citi's overall funding costs. During the first quarter of 2012, Citi repurchased an aggregate of approximately $1.7 billion of its outstanding long-term and short-term debt, primarily pursuant to open market purchases.

The table below details the long-term debt issuances and maturities of Citigroup during the first quarter of 2012 and prior two years:

	1Q 2012		2011		2010	
In billions of dollars	Maturities	Issuances	Maturities	Issuances	Maturities	Issuances
Structural long-term debt(1)	**$ 15.1**	**$ 7.0**	$ 47.3	$ 15.1	$ 41.2	$ 18.9
Local country level, FHLB and other(2)	**1.9**	**0.7**	25.7	15.2	20.5	10.2
Secured debt and securitizations	**6.2**		16.1	0.7	14.2	4.7
Total	**$ 23.2**	**$ 7.7**	**$ 89.1**	**$ 31.0**	**$ 75.9**	**$ 33.8**

(1)
Citi defines structural long-term debt as its long-term debt (original maturities of one year or more), excluding certain structured notes, such as equity-linked and credit-linked notes, with early redemption features effective within one year. Issuances and maturities of these notes are included in this table in "Local country level, FHLB and other." See note 2 below. Structural long-term debt is a non-GAAP measure. Citigroup believes that the structural long-term debt measure provides useful information to its investors as it excludes long-term debt that could in fact be redeemed by the holders thereof within one year.

(2)
"Other" includes long-term debt not considered structural long-term debt relating to certain structured notes, such as equity-linked and credit-linked notes, with early redemption features effective within one year. The amounts of issuances and maturities included in this line, and thus excluded from "structural long-term debt," were $0.3 billion, $3.4 billion and $2.4 billion, and $0.6 billion, $3.3 billion and $1.8 billion, in the first quarter 2012, 2011 and 2010, respectively.

The table below shows Citi's aggregate expected annual long-term debt maturities as of March 31, 2012:

	Expected Long-Term Debt Maturities as of March 31, 2012						
In billions of dollars	2012(1)	2013	2014	2015	2016	Thereafter	Total
Senior/subordinated debt(2)	**$ 64.9**	$ 26.9	$ 26.9	$ 19.1	$ 12.6	$ 85.4	$ 235.8
Trust preferred securities						16.0	16.0
Securitized debt and securitizations	**20.3**	6.3	7.7	5.3	2.8	8.5	50.9
Local country and FHLB borrowings	**9.0**	10.3	4.1	1.1	4.1	2.9	31.5
Total long-term debt	**$ 94.2**	$ 43.5	$ 38.7	$ 25.5	$ 19.5	$ 112.8	$ 334.2

(1)
Includes $23.2 billion of first quarter of 2012 maturities (including $3.5 billion related to TLGP).

(2)
"Senior/subordinated debt" includes certain structured notes, such as equity-linked and credit-linked notes, with early redemption features effective within one year. The amount of such notes included, and the period of contractual maturity, is as follows: $0.4 billion maturing in 2012; $0.8 billion in 2013; $0.6 billion in 2014; $0.5 billion in 2015; $0.4 billion in 2016; and $1.4 billion thereafter.

As set forth in the table above, Citi's senior and subordinated long-term debt maturities peak during 2012 at $64.9 billion, of which $38.0 billion is TLGP that Citi does not expect to refinance.

Short-Term Debt

Secured Financing

Secured financing is primarily conducted through Citi's broker-dealer subsidiaries to facilitate customer matched-book activity and to efficiently fund a portion of the trading inventory. As of March 31, 2012, approximately 30% of the funding for Citi's non-bank entities, primarily the broker-dealer, was from secured financings. As of March 31, 2012, secured financing was $226 billion and averaged approximately $219 billion during the quarter. Secured financing at March 31, 2012 increased quarter-over-quarter by $28 billion from $198 billion at December 31, 2011 and increased year-over-year by $38 billion from $188 billion at March 31, 2011. As compared to the prior quarter, the increase in secured financing is in line with increases in liquid trading assets and reverse repos. As compared to the prior year, the increase in secured financing is primarily driven by a change in the mix of short-term funding sources.

Commercial Paper

The following table sets forth Citi's commercial paper outstanding for each of its non-bank entities and significant Citibank entities, respectively, for each of the periods indicated:

In millions of dollars	March 31, 2012	December 31, 2011	March 31, 2011
Commercial paper			
Non-bank	**$ 6,239**	$ 6,414	$ 9,481
Bank	**14,795**	14,872	15,096
Total	**$ 21,034**	$ 21,286	$ 24,577

Other Short-Term Borrowings

At March 31, 2012, Citi's other short-term borrowings were $35 billion, compared with $33 billion at December 31, 2011 and $54 billion at March 31, 2011. This amount includes borrowings from the FHLBs and other market participants. The average balance of borrowings from the FHLBs and other market participants for the quarter ended March 31, 2012 was generally consistent with the quarter-end balance. See Note 15 to the Consolidated Financial Statements for further information on Citigroup's and its affiliates' outstanding long-term debt and short-term borrowings.

Liquidity Measures

Citigroup runs a centralized treasury model where the overall balance sheet is managed by Citigroup Treasury through Global Franchise Treasurers and Regional Treasurers. Citi uses multiple measures in monitoring its liquidity, including without limitation those described below.

In broad terms, the structural liquidity ratio, defined as the sum of deposits, long-term debt and stockholders' equity as a percentage of total assets, measures whether the asset base is funded by sufficiently long-dated liabilities. Citi's structural liquidity ratio has remained stable over the past year: 72% at March 31, 2012, 73% at December 31, 2011 and 73% at March 31, 2011.

In addition, Citi also believes it is currently in compliance with the proposed Basel III Liquidity Coverage Ratio (LCR), even though such ratio is not proposed to take effect until 2015. The LCR is designed to ensure banks maintain an adequate level of unencumbered cash and highly liquid securities that can be converted to cash to meet liquidity needs under an acute 30-day stress scenario. The proposed minimum requirement for LCR is 100%. Although still awaiting final guidance from its regulators, based on its current interpretation, understanding and expectations of the proposed rules, Citi believes that it is in compliance with the proposed Basel III LCR with an estimated LCR above 125%.

For a more detailed discussion of Citi's overall liquidity management and additional liquidity measures and stress testing, see "Capital Resources and Liquidity Funding and Liquidity" in Citigroup's 2011 Annual Report on Form 10-K.

Credit Ratings

Citigroup's funding and liquidity, including without limitation its funding capacity, its 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 partially dependent on its credit ratings. The table below indicates the ratings for Citigroup, Citibank, N.A. and Citigroup Global Markets Inc. (a broker-dealer subsidiary of Citigroup Inc.) as of March 31, 2012.

Citigroup's Debt Ratings as of March 31, 2012

	Citigroup Inc./Citigroup Funding Inc.(1)		Citibank, N.A.		Citigroup Global Markets Inc.
	Senior debt	Commercial paper	Long-term	Short-term	Senior debt
Fitch Ratings (Fitch)	A	F1	A	F1	NR
Moody's Investors Service (Moody's)	A3	P-2	A1	P-1	NR
Standard & Poor's (S&P)	A-	A-2	A	A-1	A

(1) As a result of the Citigroup guarantee, the ratings of, and changes in ratings for, CFI are the same as those of Citigroup.

NR Not rated.

Recent Credit Rating Developments

On November 29, 2011, following its global review of the banking industry under its revised bank criteria, S&P downgraded the issuer credit rating for Citigroup Inc. to 'A-/A-2' from 'A/A-1', and Citibank, N.A. to 'A/A-1' from 'A+/A-1'. At the same time, S&P maintained a negative outlook on the ratings. These ratings continue to receive two notches of government support uplift, reflecting S&P's view that the U.S. government is supportive to Citi. On December 15, 2011, Fitch announced revised ratings resulting from its review of government support assumptions for 17 U.S. banks. This review resulted in a revision to the issuer credit ratings of Citigroup and Citibank, N.A. from 'A+' to 'A' and the short-term issuer rating from 'F1+' to 'F1'. Further, Fitch removed the ratings from negative watch, and the ratings outlook is stable.

The above mentioned rating changes did not have a material impact on Citi's funding profile. Furthermore, forecasts of potential funding loss under various stress scenarios, including the above mentioned rating downgrades, did not occur.

As previously disclosed, on February 15, 2012, Moody's announced an industry-wide review of many European local banks and 17 banks and securities firms with global capital markets operations, including Citi. Underpinning this review is Moody's view that these firms face challenges that are not fully captured in their current ratings. Moody's placed the long- and short-term ratings of Citibank, N.A. on review for downgrade as well as the long-term rating of Citigroup Inc. The short-term rating of 'P-2' at Citigroup Inc. was affirmed. It is not certain what the results of Moody's review will be, whether or to what extent Citigroup or Citibank, N.A. will be impacted, or what, if any, industry-wide impacts could occur as a result of Moody's review of Citi and the industry as a whole.

Potential Impacts of Ratings Downgrades

Ratings downgrades by Moody's, Fitch or S&P could have material impacts on Citigroup's and/or Citibank, N.A.'s funding and liquidity due to reduced funding capacity, including derivatives triggers and exchange margin requirements, which could take the form of cash obligations and collateral requirements. The following information is provided for the purpose of analyzing the potential funding and liquidity impact to Citigroup and Citibank, N.A. of hypothetical, simultaneous ratings downgrades across all three major rating agencies. This analysis is subject to certain estimates, estimation methodologies, judgments and uncertainties, including without limitation those relating to potential ratings limitations certain entities may have with respect to permissible counterparties as well as general subjective counterparty behavior (e.g., certain corporate customers and trading counterparties could re-evaluate their business relationships with Citi and limit the trading of certain contracts or market instruments with Citi). Moreover, changes in counterparty behavior could impact Citi's funding and liquidity as well as the results of operations of certain of its businesses. Accordingly, the actual impact to Citigroup or Citibank, N.A. is unpredictable and may differ materially from the potential funding and liquidity impacts described below.

For additional information on the impact of credit rating changes on Citi and its applicable subsidiaries, see "Risk Factors Market and Economic Risks" in Citi's 2011 Annual Report on Form 10-K.

Citigroup Inc. and Citibank, N.A. Potential Derivative Triggers and Exchange Margin Requirements

As of March 31, 2012, Citi estimates that a hypothetical two-notch downgrade of the senior debt/long-term rating of Citigroup across all three major rating agencies could impact Citigroup's funding and liquidity due to derivative triggers and exchange margin requirements by approximately $2.1 billion. Of the $2.1 billion, $0.5 billion could result from a potential two-notch downgrade by Moody's only. Other funding sources, such as secured financing transactions and other margin requirements, for which there are no explicit triggers, could also be adversely affected.

In addition, as of March 31, 2012, Citi estimates that a hypothetical two-notch downgrade across all three major rating agencies of Citibank, N.A.'s senior debt/long term rating could impact Citibank, N.A.'s funding and liquidity due to derivative triggers and exchange margin requirements by approximately $2.6 billion. Of the $2.6 billion, $0.6 billion could result from a potential two-notch downgrade by Moody's only.

Accordingly, in total, Citi estimates that a two-notch downgrade of Citigroup and Citibank, N.A., across all three major rating agencies, could result in aggregate cash obligations and collateral requirements of $4.7 billion. Of this amount, approximately $1.1 billion could result from a potential two-notch downgrade by Moody's only of both Citigroup and Citibank, N.A.

As set forth under "Aggregate Liquidity Resources" above, the aggregate liquidity resources of Citigroup's non-bank entities were approximately $93 billion, and the aggregate liquidity resources of Citi's significant Citibank entities (including Citibank, N.A.) and other Citibank and Banamex entities were approximately $328 billion, for a total of approximately $421 billion as of March 31, 2012. These liquidity resources are available in part as a contingency for the potential events described above. In addition, a broad range of mitigating actions are currently included in Citigroup's and Citibank, N.A.'s detailed contingency funding plans (for additional information, see "Capital Resources and Liquidity Funding and Liquidity" in Citi's 2011 Annual Report on Form 10-K). For Citigroup, these mitigating factors include, but are not limited to, accessing surplus funding capacity from existing clients, tailoring levels of secured lending, adjusting the size of select trading books and collateralized borrowings from Citi's significant bank subsidiaries. Mitigating actions available to Citibank, N.A. include, but are not limited to, selling or financing highly liquid government securities, tailoring levels of secured lending, adjusting the size of select trading books, reducing loan originations and renewals, raising additional deposits, or borrowing from the FHLBs or other central banks. Citi believes these mitigating actions could substantially reduce the funding and liquidity risk, if any, of the potential downgrades described above.

Citibank, N.A. Additional Potential Impacts

In addition to the above derivative triggers and exchange margin requirements, Citi believes that a potential two-notch downgrade of Citibank, N.A.'s senior debt/long-term rating by one or more rating agencies could also have an adverse impact on the commercial paper/short-term rating of Citibank, N.A. As of March 31, 2012, Citibank, N.A. had liquidity commitments of $25.3 billion to asset-backed commercial paper conduits. This included $14.8 billion of commitments to consolidated conduits and $10.5 billion of commitments to unconsolidated conduits (each as referenced in Note 17 to the Consolidated Financial Statements). Additionally, Citibank, N.A. had approximately $4.0 billion of funding programs related to the municipals markets that could be adversely impacted by such a downgrade (substantially all of which is reflected as commitments within Note 21 to the Consolidated Financial Statements).

In addition to the above-referenced aggregate liquidity resources of Citi's significant Citibank entities (including Citibank, N.A.) and other Citibank and Banamex entities, as well as the various mitigating actions previously noted, mitigating actions available to Citibank, N.A. to reduce the funding and liquidity risk, if any, of the potential downgrades described above include repricing or reducing certain commitments to commercial paper conduits and exercising reimbursement agreements for the municipal programs.

In addition, in the event of the potential downgrades described above, Citi believes that certain corporate customers could re-evaluate their deposit relationships with Citibank, N.A. Among other things, this re-evaluation could include adjusting their discretionary deposit levels or changing their depository institution, each of which could potentially reduce certain deposit levels at Citibank, N.A. As a potential mitigant, however, Citi could choose to adjust pricing or offer alternative deposit products to its existing customers, or seek to attract deposits from new customers, as well as utilize the other mitigating actions referenced above.

OFF-BALANCE-SHEET ARRANGEMENTS

Citigroup enters into various types of off-balance-sheet arrangements in the ordinary course of business. Citi's involvement in these arrangements can take many different forms, including without limitation:

- purchasing or retaining residual and other interests in special purpose entities, such as credit card receivables and mortgage-backed and other asset-backed securitization entities;
- holding senior and subordinated debt, interests in limited and general partnerships and equity interests in other unconsolidated entities; and
- providing guarantees, indemnifications, loan commitments, letters of credit and representations and warranties.

Citi enters into these arrangements for a variety of business purposes. These securitization entities offer investors access to specific cash flows and risks created through the securitization process. The securitization arrangements also assist Citi and Citi's customers in monetizing their financial assets at more favorable rates than Citi or the customers could otherwise obtain.

The table below presents where a discussion of Citi's various off-balance-sheet arrangements may be found in this Form 10-Q. In addition, see "Significant Accounting Policies and Significant Estimates Securitizations" in Citigroup's 2011 Annual Report on Form 10-K, as well as Notes 1, 22 and 28 to the Consolidated Financial Statements in the 2011 Annual Report on Form 10-K.

Types of Off-Balance-Sheet Arrangements Disclosures in this Form 10-Q

Variable interests and other obligations, including contingent obligations, arising from variable interests in nonconsolidated VIEs	See Note 17 to the Consolidated Financial Statements.
Leases, letters of credit, and lending and other commitments	See Note 21 to the Consolidated Financial Statements.
Guarantees	See Note 21 to the Consolidated Financial Statements.

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. For more information on Citi's risk management, see "Managing Global Risk" in Citigroup's 2011 Annual Report on Form 10-K.

CREDIT RISK

Loans Outstanding

In millions of dollars	1st Qtr. 2012	4th Qtr. 2011	3rd Qtr. 2011	2nd Qtr. 2011	1st Qtr. 2011
Consumer loans					
In U.S. offices					
Mortgage and real estate(1)	**$ 136,325**	$ 139,177	$ 140,819	$ 143,002	$ 147,301
Installment, revolving credit, and other	**14,942**	15,616	20,044	23,693	26,346
Cards	**110,049**	117,908	113,777	114,149	113,763
Commercial and industrial	**4,796**	4,766	4,785	5,737	4,929
Lease financing		1	1	2	2
	$ 266,112	$ 277,468	$ 279,426	$ 286,583	$ 292,341
In offices outside the U.S.					
Mortgage and real estate(1)	**$ 53,652**	$ 52,052	$ 51,304	$ 54,283	$ 53,030
Installment, revolving credit, and other	**35,813**	34,613	35,377	38,954	38,624
Cards	**39,319**	38,926	38,063	40,354	36,848
Commercial and industrial	**20,830**	19,975	19,764	19,245	16,848
Lease financing	**757**	711	606	643	626
	$ 150,371	$ 146,277	$ 145,114	$ 153,479	$ 145,976
Total Consumer loans	**$ 416,483**	$ 423,745	$ 424,540	$ 440,062	$ 438,317
Unearned income	**(380)**	(405)	(328)	(123)	112
Consumer loans, net of unearned income	**$ 416,103**	$ 423,340	$ 424,212	$ 439,939	$ 438,429
Corporate loans					
In U.S. offices					
Commercial and industrial	**$ 22,746**	$ 21,667	$ 18,361	$ 16,343	$ 15,426
Loans to financial institutions	**36,303**	33,265	31,241	28,905	29,361
Mortgage and real estate(1)	**22,270**	20,698	20,426	20,596	19,397
Installment, revolving credit, and other	**9,501**	15,011	14,359	14,105	13,712
Lease financing	**1,278**	1,270	1,396	1,498	1,395
	$ 92,098	$ 91,911	$ 85,783	$ 81,447	$ 79,291
In offices outside the U.S.					
Commercial and industrial	**$ 83,951**	$ 79,764	$ 76,075	$ 76,699	$ 74,165
Installment, revolving credit, and other	**15,341**	14,114	14,733	12,964	13,551
Mortgage and real estate(1)	**6,974**	6,885	6,015	6,529	6,086
Loans to financial institutions	**32,280**	29,794	27,069	27,361	22,965
Lease financing	**566**	568	469	491	511
Governments and official institutions	**1,497**	1,576	3,545	2,727	2,838
	$ 140,609	$ 132,701	$ 127,906	$ 126,771	$ 120,116
Total Corporate loans	**$ 232,707**	$ 224,612	$ 213,689	$ 208,218	$ 199,407
Unearned income	**(788)**	(710)	(662)	(657)	(700)
Corporate loans, net of unearned income	**$ 231,919**	$ 223,902	$ 213,027	$ 207,561	$ 198,707
Total loans net of unearned income	**$ 648,022**	$ 647,242	$ 637,239	$ 647,500	$ 637,136
Allowance for loan losses on drawn exposures	**(29,020)**	(30,115)	(32,052)	(34,362)	(36,568)
	$ 619,002	$ 617,127	$ 605,187	$ 613,138	$ 600,568

Total loans net of unearned income and allowance for credit losses					
Allowance for loan losses as a percentage of total loans net of unearned income(2)	**4.51%**	4.69%	5.07%	5.35%	5.78%
Allowance for Consumer loan losses as a percentage of total Consumer loans net of unearned income(2)	**6.26%**	6.45%	6.83%	7.05%	7.48%
Allowance for Corporate loan losses as a percentage of total Corporate loans net of unearned income(2)	**1.34%**	1.31%	1.52%	1.69%	1.98%

(1) Loans secured primarily by real estate.

(2) All periods exclude loans which are carried at fair value.

Details of Credit Loss Experience

In millions of dollars	1st Qtr. 2012	4th Qtr. 2011	3rd Qtr. 2011	2nd Qtr. 2011	1st Qtr. 2011
Allowance for loan losses at beginning of period	**$ 30,115**	$ 32,052	$ 34,362	$ 36,568	$ 40,655
Provision for loan losses					
Consumer	**$ 2,761**	$ 2,798	$ 3,004	$ 3,269	$ 3,441
Corporate	**67**	(154)	45	(88)	(542)
	$ 2,828	$ 2,644	$ 3,049	$ 3,181	$ 2,899
Gross credit losses					
Consumer					
In U.S. offices(1)	**$ 3,516**	$ 3,361	$ 3,607	$ 4,095	$ 4,704
In offices outside the U.S.	**1,170**	1,248	1,312	1,408	1,429
Corporate					
In U.S. offices	**37**	129	161	208	291
In offices outside the U.S.	**48**	172	137	195	707
	$ 4,771	$ 4,910	$ 5,217	$ 5,906	$ 7,131
Credit recoveries					
Consumer					
In U.S. offices	**$ 354**	$ 341	$ 358	$ 372	$ 396
In offices outside the U.S.	**294**	303	319	334	317
Corporate					
In U.S. offices	**105**	108	6	37	51
In offices outside the U.S.	**63**	50	20	16	98
	$ 816	$ 802	$ 703	$ 759	$ 862
Net credit losses					
In U.S. offices	**$ 3,094**	$ 3,041	$ 3,404	$ 3,894	$ 4,548
In offices outside the U.S.	**861**	1,067	1,110	1,253	1,721
Total	**$ 3,955**	$ 4,108	$ 4,514	$ 5,147	$ 6,269
Other net(2)(3)(4)(5)(6)	**$ 32**	$ (473)	$ (845)	$ (240)	$ (717)
Allowance for loan losses at end of period	**$ 29,020**	$ 30,115	$ 32,052	$ 34,362	$ 36,568
Allowance for loan losses as a % of total loans	**4.51%**	4.69%	5.07%	5.35%	5.78%
Allowance for unfunded lending commitments(7)	**$ 1,097**	$ 1,136	$ 1,139	$ 1,097	$ 1,105
Total allowance for loan losses and unfunded lending commitments	**$ 30,117**	$ 31,251	$ 33,191	$ 35,459	$ 37,673
Net consumer credit losses(7)	**$ 4,038**	$ 3,965	$ 4,242	$ 4,797	$ 5,420
As a percentage of average consumer loans	**3.85%**	3.70%	3.87%	4.31%	4.89%
Net corporate credit losses	**$ (83)**	$ 143	$ 272	$ 350	$ 849
As a percentage of average corporate loans	**(0.04)%**	0.07%	0.13%	0.17%	0.45%
Allowance for loan losses at end of period(8)					
Citicorp	**$ 16,306**	$ 16,699	$ 17,613	$ 19,225	$ 20,563
Citi Holdings	**12,714**	13,416	14,439	15,137	16,005

Total Citigroup	**$**	**29,020**	$	30,115	$	32,052	$	34,362	$	36,568
Allowance by type										
Consumer	**$**	**25,963**	$	27,236	$	28,866	$	30,915	$	32,686
Corporate		**3,057**		2,879		3,186		3,447		3,882
Total Citigroup	**$**	**29,020**	$	30,115	$	32,052	$	34,362	$	36,568

(1) The first quarter of 2012 includes approximately $370 million of incremental charge-offs related to previously deferred principal balances on modified mortgages. These charge-offs were related to anticipated forgiveness of principal, largely in connection with the national mortgage settlement. There was a corresponding approximately $350 million reserve release in the first quarter of 2012 specific to these charge-offs. See also "Credit Risk National Mortgage Settlement" below.

(2) The first quarter of 2012 includes a reduction of approximately $145 million related to the sale or transfers to held-for-sale of various U.S. loan portfolios.

(3) The fourth quarter of 2011 includes a reduction of approximately $325 million related to the sale or transfer to held-for-sale of various U.S. loan portfolios and a reduction of approximately $72 million related to the transfer of Citi Belgium to held-for-sale.

(4) The third quarter of 2011 includes a reduction of approximately $300 million related to the sale or transfers to held-for-sale of various U.S. loan portfolios and a reduction of approximately $530 million related to FX translation.

(5) The second quarter of 2011 includes a reduction of approximately $370 million related to the sale or transfer to held-for-sale of various U.S. loan portfolios.

(6) The first quarter of 2011 includes a reduction of approximately $560 million related to the sale or transfer to held-for-sale of various U.S. loan portfolios and a reduction of $240 million related to the sale of the Egg Banking PLC credit card business.

(7) Represents additional credit loss reserves for unfunded 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 TDRs. 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.

Allowance for Loan Losses (continued)

The following table details information on Citi's allowance for loan losses, loans and coverage ratios as of March 31, 2012:

	March 31, 2012		
In billions of dollars	Allowance for loan losses	Loans, net of unearned income	Allowance as a percentage of loans(1)
North America cards(2)	$ 9.2	$ 110.8	8.3%
North America residential mortgages	9.6	136.2	7.0
North America other	1.5	22.3	7.1
International cards	2.9	39.5	7.3
International other(3)	2.7	107.3	2.5
Total Consumer	$ 25.9	$ 416.1	6.2%
Total Corporate	$ 3.1	$ 231.9	1.3%
Total Citigroup	$ 29.0	$ 648.0	4.5%

(1) Allowance as a percentage of loans excludes loans that are carried at fair value.

(2) Includes both Citi-branded cards and Citi retail services.

(3) Includes mortgages and other retail loans.

Non-Accrual Loans and Assets, and Renegotiated Loans

The following pages include information on Citi's "Non-Accrual Loans and Assets" and "Renegotiated Loans." There is a certain amount of overlap among these categories. The following general summary provides a basic description of each category:

Non-Accrual Loans and Assets:

- Corporate and Consumer (commercial market) non-accrual status is based on the determination that payment of interest or principal is doubtful.

- Consumer non-accrual status is based on aging, i.e., the borrower has fallen behind in payments.

- *North America* Citi-branded cards and Citi retail services are not included as, under industry standards, they accrue interest until charge-off.

Renegotiated Loans:

- Both Corporate and Consumer loans whose terms have been modified in a TDR.

- Includes both accrual and non-accrual TDRs.

Non-Accrual Loans and Assets

The table below summarizes Citigroup's 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 and Consumer (commercial market) loans, where Citi has determined that the payment of interest or principal is doubtful and which are therefore considered impaired. In situations where Citi reasonably expects that only a portion of the principal 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 and Consumer (commercial markets) non-accrual loans may still be current on interest payments but are considered non-accrual as Citi has determined that the future payment of interest and/or principal is doubtful. Consistent with industry convention, 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 *North America* credit card loans.

Non-Accrual Loans

In millions of dollars	1st Qtr. 2012	4th Qtr. 2011	3rd Qtr. 2011	2nd Qtr. 2011	1st Qtr. 2011
Citicorp	**$ 4,175**	$ 4,018	$ 4,564	$ 4,846	$ 5,102
Citi Holdings	**7,547**	7,208	7,553	8,387	9,710
Total non-accrual loans (NAL)	**$ 11,722**	$ 11,226	$ 12,117	$ 13,233	$ 14,812
Corporate non-accrual loans(1)					
North America	**$ 1,017**	$ 1,246	$ 1,639	$ 1,899	$ 1,997
EMEA	**1,194**	1,293	1,748	1,954	2,437
Latin America	**263**	362	442	528	606
Asia	**499**	335	342	451	451
Total corporate non-accrual loans	**$ 2,973**	$ 3,236	$ 4,171	$ 4,832	$ 5,491
Citicorp	**$ 2,213**	$ 2,217	$ 2,861	$ 2,986	$ 3,266
Citi Holdings	**760**	1,019	1,310	1,846	2,225
Total corporate non-accrual loans	**$ 2,973**	$ 3,236	$ 4,171	$ 4,832	$ 5,491
Consumer non-accrual loans(1)					
North America(2)	**$ 6,700**	$ 6,046	$ 5,954	$ 6,125	$ 7,068
EMEA	**397**	387	514	644	657
Latin America	**1,178**	1,107	998	1,083	1,034
Asia	**474**	450	480	549	562
Total consumer non-accrual loans(2)	**$ 8,749**	$ 7,990	$ 7,946	$ 8,401	$ 9,321
Citicorp	**$ 1,962**	$ 1,801	$ 1,703	$ 1,860	$ 1,836
Citi Holdings(2)	**6,787**	6,189	6,243	6,541	7,485
Total consumer non-accrual loans(2)	**$ 8,749**	$ 7,990	$ 7,946	$ 8,401	$ 9,321

(1) Excludes purchased distressed loans as they are generally accreting interest. The carrying value of these loans was $531 million at March 31, 2012, $511 million at December 31, 2011, $405 million at September 30, 2011, $461 million at June 30, 2011 and $453 million at March 31, 2011.

(2) The first quarter of 2012 increase in non-accrual Consumer loans in *North America* was attributable to a $0.8 billion reclassification from accrual to non-accrual status of home equity loans where the related residential first mortgage was 90 days or more past due as of March 31, 2012. Of the $0.8 billion of home equity loans, $0.7 billion were current and $0.1 billion were 30 to 89 days past due as of March 31, 2012. The reclassification reflected regulatory guidance issued on January 31, 2012. The reclassification had no impact on Citi's delinquency statistics or its loan loss reserves.

Non-Accrual Loans and Assets (continued)

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

In millions of dollars	1st Qtr. 2012	4th Qtr. 2011	3rd Qtr. 2011	2nd Qtr. 2011	1st Qtr. 2011
OREO					
Citicorp	**$ 48**	$ 71	$ 810	$ 810	$ 776
Citi Holdings	**518**	480	534	608	787
Corporate/Other	**14**	15	13	16	14
Total OREO	**$ 580**	$ 566	$ 1,357	$ 1,434	$ 1,577
North America	**$ 392**	$ 441	$ 1,222	$ 1,245	$ 1,331
EMEA	**139**	73	79	133	140
Latin America	**48**	51	56	55	52
Asia	**1**	1		1	54
Total OREO	**$ 580**	$ 566	$ 1,357	$ 1,434	$ 1,577
Other repossessed assets	**$ 1**	$ 1	$ 24	$ 18	$ 21
Non-accrual assets Total Citigroup					
Corporate non-accrual loans	**$ 2,973**	$ 3,236	$ 4,171	$ 4,832	$ 5,491
Consumer non-accrual loans(1)	**8,749**	7,990	7,946	8,401	9,321
Non-accrual loans (NAL)	**$ 11,722**	$ 11,226	$ 12,117	$ 13,233	$ 14,812
OREO	**580**	566	1,357	1,434	1,577
Other repossessed assets	**1**	1	24	18	21
Non-accrual assets (NAA)	**$ 12,303**	$ 11,793	$ 13,498	$ 14,685	$ 16,410
NAL as a percentage of total loans	**1.81%**	1.73%	1.90%	2.04%	2.32%
NAA as a percentage of total assets	**0.63**	0.63	0.70	0.75	0.84
Allowance for loan losses as a percentage of NAL(2)	**248**	268	265	260	247

Non-accrual assets Total Citicorp	1st Qtr. 2012	4th Qtr. 2011	3rd Qtr. 2011	2nd Qtr. 2011	1st Qtr. 2011
Non-accrual loans (NAL)	**$ 4,175**	$ 4,018	$ 4,564	$ 4,846	$ 5,102
OREO	**48**	71	810	810	776
Other repossessed assets	**N/A**	N/A	N/A	N/A	N/A
Non-accrual assets (NAA)	**$ 4,223**	$ 4,089	$ 5,374	$ 5,656	$ 5,878
NAA as a percentage of total assets	**0.30%**	0.30%	0.38%	0.40%	0.43%
Allowance for loan losses as a percentage of NAL(2)	**391**	416	386	397	403
Non-accrual assets Total Citi Holdings					
Non-accrual loans (NAL)(1)	**$ 7,547**	$ 7,208	$ 7,553	$ 8,387	$ 9,710
OREO	**518**	480	534	608	787
Other repossessed assets	**N/A**	N/A	N/A	N/A	N/A
Non-accrual assets (NAA)	**$ 8,065**	$ 7,688	$ 8,087	$ 8,995	$ 10,497

NAA as a percentage of total assets	**3.86%**	3.42%	3.27%	3.39%	3.56%
Allowance for loan losses as a percentage of NAL(2)	**168**	186	191	180	165

(1) The first quarter of 2012 increase in non-accrual consumer loans in *North America* was attributable to a $0.8 billion reclassification from accrual to non-accrual status of home equity loans where the related residential first mortgage was 90 days or more past due. Of the $0.8 billion of home equity loans, $0.7 billion were current and $0.1 billion were 30 to 89 days past due as of March 31, 2012. The reclassification reflected regulatory guidance issued on January 31, 2012. The reclassification had no impact on Citi's delinquency statistics or its loan loss reserves.

(2) The allowance for loan losses includes the allowance for Citi's credit card portfolios and purchased distressed loans, while the non-accrual loans exclude credit card balances (with the exception of certain international portfolios) and purchased distressed loans as these continue to accrue interest until charge-off.

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

Renegotiated Loans

The following table presents Citi's loans modified in TDRs.

In millions of dollars	Mar. 31, 2012	Dec. 31, 2011
Corporate renegotiated loans(1)		
In U.S. offices		
Commercial and industrial(2)	**$ 106**	$ 206
Mortgage and real estate(3)	**53**	241
Loans to financial institutions	**540**	552
Other	**15**	79
	$ 714	$ 1,078
In offices outside the U.S.		
Commercial and industrial(2)	**$ 166**	$ 223
Mortgage and real estate(3)	**67**	17
Loans to financial institutions	**11**	12
Other	**5**	6
	$ 249	$ 258
Total Corporate renegotiated loans	**$ 963**	$ 1,336
Consumer renegotiated loans(4)(5)(6)(7)		
In U.S. offices		
Mortgage and real estate	**$ 20,792**	$ 21,429
Cards	**5,105**	5,766
Installment and other	**1,334**	1,357
	$ 27,231	$ 28,552
In offices outside the U.S.		
Mortgage and real estate	**$ 926**	$ 936
Cards	**866**	929
Installment and other	**1,300**	1,342
	$ 3,092	$ 3,207
Total Consumer renegotiated loans	**$ 30,323**	$ 31,759

(1) Includes $373 million and $455 million of non-accrual loans included in the non-accrual assets table above, at March 31, 2012 and December 31, 2011, respectively. The remaining loans are accruing interest.

(2) In addition to modifications reflected as TDRs at March 31, 2012, Citi also modified $38 million and $390 million of commercial loans risk rated "Substandard Non-Performing" or worse (asset category defined by banking regulators) in U.S. offices and offices outside the U.S., respectively. These modifications were not considered TDRs because the modifications did not involve a concession (a required element of a TDR for accounting purposes).

(3) In addition to modifications reflected as TDRs at March 31, 2012, Citi also modified $156 million and $34 million of commercial real estate loans risk rated "Substandard Non-Performing" or worse (asset category defined by banking regulators) in U.S. offices and in offices outside the U.S., respectively. These modifications were not considered TDRs because the modifications did not involve a concession (a required element of a TDR for accounting purposes).

(4) Includes $2,850 million and $2,371 million of non-accrual loans included in the non-accrual assets table above at March 31, 2012 and December 31, 2011, respectively. The remaining loans are accruing interest.

(5) Includes $15 million and $19 million of commercial real estate loans at March 31, 2012 and December 31, 2011, respectively.

(6) Includes $265 million and $257 million of commercial loans at March 31, 2012 and December 31, 2011, respectively.

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

In certain circumstances, Citigroup modifies certain of its Corporate loans involving a non-troubled borrower. These modifications are subject to Citi's normal underwriting standards for new loans and are made in the normal course of business to match customers' needs with available Citi products or programs (these modifications are not included in the table above). In other cases, loan modifications involve a troubled borrower to whom Citi may grant a concession (modification). Modifications involving troubled borrowers may include extension of maturity date, reduction in the stated interest rate, rescheduling of future cash flows, reduction in the face amount of the debt or reduction or waiver of accrued interest or fees. See "Consumer Loan Modification Programs" below.

***North America* Consumer Mortgage Lending**

Overview

Citi's *North America* Consumer mortgage portfolio consists of both residential first mortgages and home equity loans. As of March 31, 2012, Citi's *North America* Consumer residential first mortgage portfolio totaled $94.3 billion, while the home equity loan portfolio was $42.0 billion. Of the first mortgages, $65.0 billion are recorded in *LCL* within Citi Holdings, with the remaining $29.3 billion recorded in Citicorp. With respect to the home equity loan portfolio, $38.6 billion are recorded in *LCL*, and $3.4 billion are reported in Citicorp.

Citi's residential first mortgage portfolio included $9.0 billion of loans with FHA insurance or VA guarantees as of March 31, 2012. This portfolio consists of loans originated to low-to-moderate-income borrowers with lower FICO (Fair Isaac Corporation) scores and generally has higher loan-to-value ratios (LTVs). Losses on FHA loans are borne by the sponsoring governmental agency, provided that the insurance terms have not been rescinded as a result of an origination defect. With respect to VA loans, the VA establishes a loan-level loss cap, beyond which Citi is liable for loss. While FHA and VA loans have high delinquency rates, given the insurance and guarantees, respectively, Citi has experienced negligible credit losses on these loans to date.

Also as of March 31, 2012, the residential first mortgage portfolio included $1.3 billion of loans with LTVs above 80%, which have insurance through mortgage insurance companies, and $1.2 billion of loans subject to long-term standby commitments (LTSC) with U.S. government-sponsored entities (GSEs), for which Citi has limited exposure to credit losses. Citi's home equity loan portfolio also included $0.4 billion of loans subject to LTSCs with GSEs, for which Citi also has limited exposure to credit losses. These guarantees and commitments may be rescinded in the event of origination defects.

Citi's allowance for loan loss calculations takes into consideration the impact of the guarantees and commitments referenced above.

Citi does not offer option adjustable rate mortgages/negative amortizing mortgage products to its customers. As a result, option adjustable rate mortgages/negative amortizing mortgages represent an insignificant portion of total balances, since they were acquired only incidentally as part of prior portfolio and business purchases.

As of March 31, 2012, Citi's *North America* residential first mortgage portfolio contained approximately $14.5 billion of adjustable rate mortgages that are required to make a payment only of accrued interest for the payment period, or an interest-only payment. Borrowers that are currently required to make an interest-only payment cannot select a lower payment that would negatively amortize the loan. Residential first mortgages with this payment feature are primarily to high-credit-quality borrowers that have on average significantly higher origination and refreshed FICO scores than other loans in the residential first mortgage portfolio.

North America Consumer Mortgage Quarterly Credit Trends Delinquencies and Net Credit Losses Residential First Mortgages

The following charts detail the quarterly trends in delinquencies and net credit losses for Citi's residential first mortgage portfolio in *North America*. As referenced in the "Overview" section above, the majority of Citi's residential first mortgage exposure arises from its portfolio within Citi Holdings *LCL*.

***North America* Residential First Mortgages Citigroup**
in billions of dollars

EOP Loans: 1Q11 $98.1 4Q11 $95.4 1Q12 $94.3

North America **Residential First Mortgages Citi Holdings**
in billions of dollars

EOP Loans: 1Q11 $76.0 4Q11 $67.5 1Q12 $65.0

(1) The first quarter of 2012 includes approximately $315 million of incremental charge-offs related to previously deferred principal balances on modified mortgages. See note 1 to the "Details of Credit Loss Experience" table above. Excluding the impact of these charge-offs, net credit losses would have increased to $0.45 and $0.43 for the Citigroup and Citi Holdings portfolios, respectively.

Note: For each of the tables above, days past due exclude (i) U.S. mortgage loans that are guaranteed by U.S. government-sponsored entities because the potential loss predominantly resides with the U.S. entities, and (ii) loans that are recorded at fair value.

Totals may not sum due to rounding.

Generally, management actions, including asset sales and modification programs, have continued to be the primary drivers of the overall improved asset performance within Citi's residential first mortgage portfolio in Citi Holdings during the periods presented above (excluding the deferred principal net credit losses described in note 1 to the tables above). With respect to asset sales, Citi sold approximately $0.3 billion of delinquent residential first mortgages during the first quarter of 2012. Regarding modifications, Citi modified approximately $0.2 billion of residential first mortgage loans under its HAMP and CSM programs, two of its more significant residential first mortgage modification programs, in the first quarter of 2012, which represented a slight increase from modification volumes in the fourth quarter of 2011. (For additional information on Citi's significant residential first mortgage loan modification programs, see "Consumer Loan Modification Programs" below.)

While re-defaults of previously modified mortgages under the HAMP and CSM programs continued to track favorably versus expectations as of March 31, 2012, Citi's residential first mortgage delinquencies and net credit losses continue to show some signs of the impact of re-defaults of previously modified mortgages. This is reflected in the stabilizing to slightly increasing delinquency and net credit loss trends in the tables above (excluding the deferred principal net credit losses described in note 1 to the tables above). Moreover, as a result of the continued lengthening of the foreclosure process (see discussion under "Foreclosures" below), 180+ days past due delinquencies are increasing.

Accordingly, Citi continues to believe that its ability to offset increasing delinquencies or net credit losses in its residential first mortgage portfolio, due to any deterioration of the underlying credit performance of these loans, re-defaults, the lengthening of the foreclosure process or otherwise, pursuant to asset sales or modifications could be limited going forward given the lack of remaining inventory of loans to sell or modify (or due to lack of market demand for asset sales). Citi has taken these trends and uncertainties, including the potential for re-defaults, into consideration in determining its loan loss reserves. See "*North America* Consumer Mortgages Loan Loss Reserve Coverage" below. Citi also continues to believe that any increase in net credit losses relating to additional principal forgiveness or deferred principal charge-offs relating to the national mortgage settlement will be covered by its existing loan loss reserves. See also "Credit Risk National Mortgage Settlement" below.

North America Residential First Mortgages State Delinquency Trends

The following tables set forth, for total Citigroup, the six states and/or regions with the highest concentration of Citi's residential first mortgages as of March 31, 2012 and December 31, 2011.

In billions of dollars	**March 31, 2012**					**December 31, 2011**				
State(1)	**ENR(2)**	**ENR Distribution**	**90+DPD %**	**% LTV > 100%**	**Refreshed FICO**	**ENR(2)**	**ENR Distribution**	**90+DPD %**	**% LTV > 100%**	**Refreshed FICO**
CA	**$ 22.4**	**28%**	**2.9%**	**39%**	**727**	$ 22.6	28%	2.7%	38%	727
NY/NJ/CT	**11.4**	**14**	**4.6**	**12**	**715**	11.1	14	4.7	9	712
IN/OH/MI	**4.5**	**5**	**5.8**	**47**	**652**	4.6	6	6.0	44	650
FL	**4.1**	**5**	**9.1**	**56**	**671**	4.2	5	9.6	56	669
IL	**3.4**	**4**	**6.6**	**49**	**688**	3.5	4	6.9	45	686
AZ/NV	**2.2**	**3**	**5.6**	**70**	**699**	2.3	3	5.7	73	698
Other	**32.9**	**41**	**5.6**	**23**	**664**	33.4	40	5.6	21	663
Total	**$ 80.9**	**100%**	**5.0%**	**31%**	**690**	$ 81.7	100%	5.0%	30%	689

(1) Certain of the states are included as part of a region based on Citi's view of similar home prices (HPI) within the region.

(2) Ending net receivables. Excludes loans in Canada and Puerto Rico, loans guaranteed by U.S. government agencies, loans recorded at fair value and loans subject to LTSCs. Excludes balances for which FICO or LTV data is unavailable.

As evidenced by the table above, Citi's residential first mortgages portfolio is primarily concentrated in California and the New York/New Jersey/Connecticut region (with New York as the largest of the three states). The 90+ days past due delinquency rate improved across each of the states and regions shown in the table, with the exception of California which showed a slight increase. As previously disclosed, as asset sales have slowed, Citi has observed deterioration in the 90+ days past due delinquency rates, and this is reflected in the increase in the delinquency rate in California in the first quarter. Combined with the continued lengthening of the foreclosure process (see discussion under "Foreclosures" below) in all of these states and regions, Citi expects it could experience deterioration, or less improvement, in the 90+ days past due delinquency rate in one or more of these areas in the future.

Foreclosures

As of March 31, 2012, approximately 2.3% of Citi's residential first mortgage portfolio was actively in the foreclosure process, which Citi refers to as its "foreclosure inventory." This represented a 6% increase in foreclosure inventory quarter-over-quarter, and reflected the first increase in Citi's foreclosure inventory after several quarters of gradual declines (for additional information, see "Managing Global Risk Credit Risk Foreclosures" in Citi's 2011 Annual Report on Form 10-K).

Similar to prior quarters, Citi continued to experience fewer residential first mortgages moving into its foreclosure inventory during the first quarter of 2012, primarily as a result of Citi's continued asset sales of delinquent first mortgages, increased state requirements for foreclosure filings and Citi's continued efforts to work with borrowers pursuant to its loan modification programs, as previously disclosed. However, the number of loans exiting foreclosure inventory declined quarter-over-quarter, thus resulting in an overall increase in Citi's foreclosure inventory. The decline in the number of loans exiting Citi's foreclosure inventory continues to be driven primarily by the additional state requirements to complete foreclosures as well as the continued lengthening of the foreclosure process generally, which continues to be particularly pronounced in the judicial states (i.e., those states that require foreclosures to be processed via court approval) but also continues to occur in the non-judicial states where Citi has a higher concentration of residential first mortgages (see "*North America* Residential First Mortgages State Delinquency Trends" above).

To the extent Citi is not able to continue to decrease the number of loans moving into its foreclosure inventory, whether pursuant to asset sales, modifications or otherwise, its foreclosure inventory could continue to increase as the foreclosure process has largely stagnated, for the reasons discussed above.

North America Consumer Mortgage Quarterly Credit Trends Delinquencies and Net Credit Losses Home Equity Loans

Citi's home equity loan portfolio consists of both fixed rate home equity loans and loans extended under home equity lines of credit. Fixed rate home equity loans are fully amortizing. Home equity lines of credit allow for amounts to be drawn for a period of time and then, at the end of the draw period, the then-outstanding amount is converted to an amortizing loan. After conversion, the loan typically has a 20-year amortization repayment period.

Historically, Citi's home equity lines of credit typically had a 10-year draw period. Citi's new originations of home equity lines of credit typically have a five-year draw period as Citi changed these terms in June 2010 to mitigate risk due to the economic environment and declining home prices. As of March 31, 2012, Citi's home equity loan portfolio included approximately $24.1 billion of home equity lines of credit that are still within their revolving period and have not commenced amortization (the interest-only payment feature during the revolving period is standard for this product across the industry). The vast majority of Citi's home equity loans extended under lines of credit as of March 31, 2012 will contractually begin to amortize after 2014.

As of March 31, 2012, the percentage of U.S. home equity loans in a junior lien position where Citi also owned or serviced the first lien was approximately 31%. However, for all home equity loans (regardless of whether Citi owns or services the first lien), Citi manages its home equity loan account strategy through obtaining and reviewing refreshed credit bureau scores (which reflect the borrower's performance on all of its debts, including a first lien, if any), refreshed LTV ratios and other borrower credit-related information. Historically, the default and delinquency statistics for junior liens where Citi also owns or services the first lien have been better than for those where Citi does not own or service the first lien, which Citi believes is generally attributable to origination channels and better credit characteristics of the portfolio, including FICO and LTV, for those junior liens where Citi also owns or services the first lien.

The following charts detail the quarterly trends in delinquencies and net credit losses for Citi's home equity loan portfolio in *North America*. Similar to Citi's residential first mortgage portfolio, the majority of Citi's home equity loan exposure arises from its portfolio within Citi Holdings LCL.

***North America* Home Equity Loans Citigroup**
in billions of dollars

EOP Loans: 1Q11 $48.2 4Q11 $43.5 1Q12 $42.0

***North America* Home Equity Loans Citi Holdings**
in billions of dollars

EOP Loans: 1Q11 $44.4 4Q11 $40.0 1Q12 $38.6

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(1) The first quarter of 2012 includes approximately $55 million of incremental charge-offs related to previously deferred principal balances on modified mortgages. See note 1 to the "Details of Credit Loss Experience" table above. Excluding the impact of these charge-offs, net credit losses would have decreased to $0.51 and $0.50 for the Citigroup and Citi Holdings portfolios, respectively.

Note: For each of the tables above, days past due exclude (i) U.S. mortgage loans that are guaranteed by U.S. government-sponsored entities because the potential loss predominantly resides with the U.S. entities, and (ii) loans are recorded at fair value.

Totals may not sum due to rounding.

As evidenced by the tables above, there continued to be improvement in home equity loan delinquencies and net credit losses in the first quarter of 2012 (excluding the deferred principal net credit losses described in note 1 to the tables above). Given the lack of market in which to sell delinquent home equity loans, as well as the relatively smaller number of home equity loan modifications and modification programs, Citi's ability to offset increased delinquencies and net credit losses in its home equity loan portfolio in Citi Holdings, whether pursuant to deterioration of the underlying credit performance of these loans or otherwise, continues to be more limited as compared to residential first mortgages as discussed above. Accordingly, Citi could begin to experience increased delinquencies and thus increased net credit losses in this portfolio going forward. Citi has taken these trends and uncertainties into consideration in determining its loan loss reserves. See "*North America* Consumer Mortgages Loan Loss Reserve Coverage" below.

North America Home Equity Loans State Delinquency Trends

The following tables set forth, for total Citigroup, the six states and/or regions with the highest concentration of Citi's home equity loans as of March 31, 2012 and December 31, 2011.

In billions of dollars	**March 31, 2012**					**December 31, 2011**				
State(1)	**ENR(2)**	**ENR Distribution**	**90+DPD %**	**% LTV > 100%**	**Refreshed FICO**	**ENR(2)**	**ENR Distribution**	**90+DPD %**	**% LTV > 100%**	**Refreshed FICO**
CA	$ 10.8	**27%**	**2.1%**	**51%**	**721**	$ 11.2	27%	2.3%	50%	721
NY/NJ/CT	8.9	**22**	**2.0**	**22**	**714**	9.2	22	2.1	19	715
IN/OH/MI	1.4	**4**	**2.2**	**66**	**676**	1.5	4	2.4	64	676
FL	2.7	**7**	**3.5**	**67**	**696**	2.8	7	3.5	67	697
IL	1.6	**4**	**2.1**	**65**	**704**	1.6	4	2.3	62	705
AZ/NV	1.0	**2**	**3.5**	**81**	**707**	1.0	3	4.1	83	706
Other	13.2	**34**	**2.1**	**48**	**693**	13.8	33	2.2	45	694
Total	$ 39.6	**100%**	**2.2%**	**46%**	**706**	$ 41.1	100%	2.4%	44%	706

(1) Certain of the states are included as part of a region based on Citi's view of similar home prices (HPI) within the region.

(2) Ending net receivables. Excludes loans in Canada and Puerto Rico and loans subject to LTSCs. Excludes balances for which FICO or LTV data is unavailable..

Similar to residential first mortgages (see "Residential First Mortgages State Delinquency Trends" above), at March 31, 2012, Citi's home equity loan portfolio was primarily concentrated in California and the New York/New Jersey/Connecticut region. The 90+ days past due delinquency rate improved or remained stable across each of the states and regions shown in the table. See "*North America* Consumer Mortgage Quarterly Credit Trends Delinquencies and Net Credit Losses Home Equity Loans" above and "Consumer Mortgage FICO and LTV" below.

North America Consumer Mortgages Loan Loss Reserve Coverage

At March 31, 2012, approximately $9.4 billion of Citi's total loan loss reserves of $29.0 billion was allocated to *North America* real estate lending in Citi Holdings. With respect to Citi's aggregate *North America* Consumer mortgage portfolio, including Citi Holdings as well as the residential first mortgages and home equity loans in Citicorp, Citi's loan loss reserves of $9.6 billion at March 31, 2012 represented 30 months of coincident net credit loss coverage, excluding the deferred principal net credit losses described in note 1 to the "Details of Credit Loss Experience" table above.

National Mortgage Settlement

National Mortgage Settlement

As previously disclosed, under the national mortgage settlement, Citi is required to provide (i) customer relief in the form of loan modifications for delinquent borrowers, including principal reductions, to be completed over three years, with a required settlement value of $1.4 billion; and (ii) refinancing concessions to enable current borrowers whose properties are worth less than the value of their loans to reduce their interest rates, also to be completed over three years, with a required settlement value of $378 million.

If Citi does not provide the required amount of financial relief in the form of loan modification for delinquent borrowers or refinancing concessions under the national mortgage settlement, additional cash payments would be required. Citi is required to complete 75% of its required relief by March 1, 2014. Failure to meet 100% of the commitment by March 1, 2015 will result in Citi paying an amount equal to 125% of the shortfall. Failure to meet the two-year commitment noted above and then failure to meet the three-year commitment will result in an amount equal to 140% of the three-year shortfall. Citi currently believes that its obligations will be fully met in the form of financial relief to homeowners; therefore, no additional cash payments are expected.

Loan Modifications for Delinquent Borrowers

All of the loans receiving relief towards the $1.4 billion in settlement value are either currently accounted for as TDRs or will become TDRs at the time of modification. Citi continues to believe that its loan loss reserves as of March 31, 2012 will be sufficient to cover this customer relief to delinquent borrowers and thus no charge to earnings is expected.

Refinancing Concessions for Current Borrowers

The refinancing concessions are intended to be offered to residential first mortgage borrowers whose properties are worth less than the value of their loans, who have been current in the prior twelve months, who have not had a modification, bankruptcy or foreclosure proceedings during the prior 24 months, and whose loans have a current interest rate greater than 5.25%. Citi currently expects to refinance approximately $2 billion in loans to meet the terms of the national mortgage settlement by reducing the borrower's rate from its current rate to 5.25% for the remaining life of the loan. As a result of the settlement, Citi is forgoing future interest payments that it may not otherwise have agreed to forgo. Citi currently estimates the total amount of expected forgone future interest income will be approximately $40 million annually. This estimate could change based on the response rate of borrowers that qualify and the subsequent borrower payment behavior. As of March 31, 2012, no loss has been recognized in Citi's

Consolidated Financial Statements related to this expected future forgone interest.

Citi will account for the refinancing concessions based on whether each borrower is determined to be experiencing financial difficulty based on sufficient underwriting. When a refinancing concession is granted to a borrower that is experiencing financial difficulty, the loan will be accounted for as a TDR. Otherwise, the impact of the refinancing concessions will be recognized over a period of years in the form of lower interest income. As of March 31, 2012, it is not possible to estimate the number of refinance concessions that will be accounted for as TDRs. Citi does not currently expect these refinancing concessions to have a material impact on the fair value of the modified mortgage loans.

Consumer Mortgage FICO and LTV

As a consequence of the financial crisis, economic environment and the decrease in housing prices, LTV and FICO scores for Citi's residential first mortgage and home equity loan portfolios have generally deteriorated since origination, particularly in the case of originations between 2006 and 2007, although, as set forth in the tables below, the negative migration has generally stabilized. Generally, on a refreshed basis, approximately 31% of residential first mortgages had a LTV ratio above 100%, compared to approximately 0% at origination. Similarly, approximately 35% of residential first mortgages had FICO scores less than 660 on a refreshed basis, compared to 26% at origination. With respect to home equity loans, approximately 46% of home equity loans had refreshed LTVs above 100%, compared to approximately 0% at origination. Approximately 25% of home equity loans had FICO scores less than 660 on a refreshed basis, compared to 9% at origination.

FICO and LTV Trend Information *North America* Consumer Mortgages

Residential First Mortgages

Res Mortgage 90+ DPD %	**1Q11**	**2Q11**	**3Q11**	**4Q11**	**1Q12**
FICO≥660, LTV ≤100%	0.4%	0.3%	0.3%	0.4%	0.3%
FICO≥660, LTV >100%	1.1%	1.1%	1.2%	1.2%	1.2%
FICO<660, LTV ≤100%	11.0%	9.8%	10.0%	10.7%	10.5%
FICO<660, LTV >100%	16.6%	15.3%	14.9%	16.5%	17.2%

Home Equity Loans

Home Equity 90+ DPD %	**1Q11**	**2Q11**	**3Q11**	**4Q11**	**1Q12**
FICO≥660, LTV ≤100%	0.1%	0.1%	0.1%	0.3%	0.1%
FICO≥660, LTV >100%	0.3%	0.1%	0.1%	0.2%	0.2%
FICO<660, LTV ≤100%	7.7%	7.0%	7.4%	7.6%	7.2%
FICO<660, LTV >100%	11.7%	10.1%	10.3%	10.3%	9.4%

Notes:

Data appearing in the tables above have been sourced from Citi'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 to the information presented elsewhere.

Tables exclude loans in Canada and Puerto Rico, loans guaranteed by U.S. government agencies (residential first mortgages table only), loans recorded at fair value (residential first mortgages table only) and loans subject to LTSCs.

Balances exclude deferred fees/costs.

Tables exclude balances for which FICO or LTV data is unavailable. For residential first mortgages, balances for which such data is unavailable includes $0.6 billion for 1Q11, and $0.4 billion in each of 2Q11, 3Q11, 4Q11, and 1Q12. For home equity loans, balances for which such data is unavailable includes $0.1 billion in 1Q11, $0.3 billion in 2Q11, $0.2 billion in each of 3Q11, 4Q11, and 1Q12.

Citi's residential first mortgage delinquencies continue to show the impact of re-defaults of previously modified mortgages. The level of 90+ days past due for residential first mortgages with refreshed FICO scores of less than 660 can be attributed to the decline in Citi's asset sales of delinquent first mortgages, the lengthening of the foreclosure process and the continued economic uncertainty, as discussed in the sections above.

Although home equity loans are typically in junior lien positions and residential first mortgages are typically in a first lien position, residential first mortgages historically have experienced higher delinquency rates as compared to home equity loans. Citi believes this difference is primarily due to the fact that residential first mortgages are written down to collateral value less cost to sell at 180 days past due and remain in the delinquency population until full disposition through sale, repayment or foreclosure, whereas home equity loans are generally fully charged off at 180 days past due and thus removed from the delinquency calculation. In addition, due to the longer timelines to foreclose on a residential first mortgage (see "Foreclosures" above), these loans tend to remain in the delinquency statistics for a longer period and, consequently, the 90 days or more delinquencies of these mortgages remain higher.

Mortgage Servicing Rights

To minimize credit and liquidity risk, Citi 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), which are recorded at fair value on Citi's Consolidated Balance Sheet. The fair value of MSRs is primarily affected by changes in prepayments of mortgages that result from shifts in mortgage interest rates. Specifically, the fair value of MSRs declines with increased prepayments, and lower interest rates are generally one factor that tends to lead to increased prepayments. In managing this risk, Citi economically 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 account assets*.

Citi's MSRs totaled $2.691 billion, $2.569 billion and $4.690 billion at March 31, 2012, December 31, 2011 and March 31, 2011, respectively. The decrease in the value of Citi's MSRs from first quarter 2011 to first quarter 2012 primarily represented the impact from lower interest rates in addition to amortization.

For additional information on Citi's MSRs, see Note 17 to the Consolidated Financial Statements.

Citigroup Residential Mortgages Representations and Warranties

Overview

In connection with Citi's sales of residential mortgage loans to the U.S. government-sponsored entities (GSEs) and, in most cases, other mortgage loan sales and private-label securitizations, Citi makes representations and warranties that the loans sold meet certain requirements. The specific representations and warranties made by Citi in any particular transaction depend on, among other things, the nature of the transaction and the requirements of the investor (e.g., whole loan sale to the GSEs versus loans sold through securitization transactions), as well as the credit quality of the loan (e.g., prime, Alt-A or subprime). For details on the specific types of representations and warranties made by Citi in transactions with the GSEs and through private-label securitizations, see "Managing Global Risk Credit Risk Consumer Mortgage Representations and Warranties" and " *Securities and Banking*-Sponsored Legacy Private-Label Residential Mortgage Securitizations Representations and Warranties" in Citi's 2011 Annual Report on Form 10-K.

These activities expose Citi to potential claims for breaches of its representations and warranties. In the event of a breach of its representations and warranties, Citi could be required either to repurchase the mortgage loans with the identified defects (generally at unpaid principal balance plus accrued interest) or to indemnify ("make-whole") the investors for their losses on these loans. To the extent Citi made representation and warranties on loans it purchased from third-party sellers that remain financially viable, Citi may have the right to seek recovery of repurchase losses or make-whole payments from the third party based on representations and warranties made by the third party to Citi.

Whole Loan Sales

Citi is exposed to representation and warranty repurchase claims primarily as a result of its whole loan sales to the GSEs and, to a lesser extent, private investors, through its Consumer business (CitiMortgage). To date, the majority of Citi's repurchases have been due to GSE repurchase claims and relate to loans originated from 2006 through 2008, which also represent the vintages with the highest loss severity. An insignificant percentage of repurchases and make-whole payments have been from vintages pre-2006 and post-2008. Citi attributes this to better credit performance of these vintages and to the enhanced underwriting standards implemented in the second half of 2008 and forward.

During the period 2006 through 2008, Citi sold a total of approximately $336 billion of whole loans, substantially all to the GSEs. This amount has not been adjusted for subsequent borrower repayments of principal, defaults, or repurchase activity to date. The vast majority of these loans were either originated by Citi or purchased from a third-party seller that is no longer financially viable. As discussed below, however, Citi's repurchase reserve takes into account estimated reimbursements, if any, to be received from third-party sellers.

Private-Label Residential Mortgage Securitizations

Citi is also exposed to representation and warranty repurchase claims as a result of mortgage loans sold through private-label residential mortgage securitizations. During 2005-2008, Citi sold loans into and sponsored private-label securitizations through both its Consumer business (CitiMortgage) and its legacy *S&B* business. Citi sold approximately $91 billion of mortgage loans through private-label securitizations during this period.

CitiMortgage (principally reflected in Citi Holdings Local Consumer Lending)

During the period 2005 through 2008, Citi sold approximately $24.6 billion of loans through private-label mortgage securitizations through its Consumer business in CitiMortgage. These securitizations were backed by loan collateral composed of approximately $15.4 billion prime and $9.2 billion Alt-A residential mortgage loans. As of March 31, 2012, approximately $10.0 billion of the $24.6 billion remained outstanding as a result of repayments of approximately $13.5 billion and cumulative losses (incurred by the issuing trusts) of approximately $1.1 billion. Of the amount remaining outstanding, approximately $5.1 billion is backed by prime residential mortgage collateral at origination and approximately $4.9 billion by Alt-A. As of March 31, 2012, the remaining outstanding had a 90 days or more delinquency rate in the aggregate of approximately 13.7%. Similar to the whole loan sales discussed above, the vast majority of these loans were either originated by Citi or purchased from a third-party seller that is no longer financially viable. Citi's repurchase reserve takes into account estimated reimbursements to be received, if any, from third-party sellers.

Legacy S&B Securitizations (principally reflected in Citi Holdings Special Asset Pool)

During the period 2005 through 2008, *S&B*, through its legacy business, sold approximately $66.4 billion of loans through private-label mortgage securitizations. These securitizations were backed by loan collateral composed of approximately $15.4 billion prime, $12.4 billion Alt-A and $38.6 billion subprime residential mortgage loans. As of March 31, 2012, approximately $22.5 billion of this amount remained outstanding as a result of repayments of approximately $34.7 billion and cumulative losses (incurred by the issuing trusts) of approximately $9.1 billion (of which approximately $6.9 billion related to subprime loans). Of the amount remaining outstanding, approximately $5.9 billion is backed by prime residential mortgage collateral at origination, approximately $4.8 billion by Alt-A and approximately $11.9 billion by subprime. As of March 31, 2012, the remaining outstanding had a 90 days or more delinquency rate of approximately 27.1%.

The mortgages included in the *S&B* legacy securitizations were primarily purchased from third-party sellers. In connection with these securitization transactions, representations and warranties relating to the mortgages were made either by Citi, by third-party sellers, or both. As of March 31, 2012, where Citi made representations and warranties and received similar representations and warranties from third-party sellers, Citi believes that for the majority of the securitizations backed by prime and Alt-A loan collateral, if Citi received a repurchase claim for those loans, it would have a back-to-back claim against financially viable sellers. However, for the significant majority of the subprime collateral, Citi believes that such sellers would be unlikely to honor back-to-back claims because they are in bankruptcy, liquidation, or financial distress and are thus no longer financially viable. Citi's repurchase reserve takes into account estimated reimbursements to be received, if any, from third-party sellers.

Repurchase Reserve

Citi has recorded a mortgage repurchase reserve (referred to as the repurchase reserve) for its potential repurchase or make-whole liability regarding representation and warranty claims. As mentioned above, Citi's repurchase reserve primarily relates to whole loan sales to the GSEs and is thus calculated primarily based on Citi's historical repurchase activity with the GSEs. The repurchase reserve relating to Citi's whole loan sales, and changes in estimate with respect thereto, are generally recorded in Citi Holdings *Local Consumer Lending*. The repurchase reserve relating to private-label securitizations, and changes in estimate with respect thereto, are recorded in Citi Holdings *Special Asset Pool*.

Repurchase Reserve Whole Loan Sales

To date, issues related to (i) misrepresentation of facts by either the borrower or a third party (e.g., income, employment, debts, FICO, etc.), (ii) appraisal issues (e.g., an error or misrepresentation of value), and (iii) program requirements (e.g., a loan that does not meet investor guidelines, such as contractual interest rate) have been the primary drivers of Citi's repurchases and make-whole payments to the GSEs. However, the type of defect that results in a repurchase or make-whole payment has varied and will likely continue to vary over time. There has not been a meaningful difference in Citi's incurred or estimated loss for any particular type of defect.

The repurchase reserve is calculated by individual sales vintage (i.e., the year the loans were sold). In estimating the repurchase reserve, Citi considers reimbursements estimated to be received from third-party sellers, which are generally based on Citi's analysis of its most recent collection trends and the financial solvency or viability of the third-party sellers. Historically, Citi also considered the existence of indemnification agreements in favor of CitiMortgage relating to previous acquisitions of mortgage servicing rights; however, as previously disclosed, substantially all of these indemnification agreements expired as of March 1, 2012. The expiration of these agreements has been taken into consideration in determining the repurchase reserve.

The repurchase reserve is based on various assumptions, which, as referenced above, are primarily based on Citi's historical repurchase activity with the GSEs. These assumptions contain a level of uncertainty and risk that, if different from actual results, could have a material impact on the reserve amounts. The most significant assumptions used to calculate the reserve levels are: (i) loan documentation requests; (ii) repurchase claims as a percentage of loan documentation requests; (iii) claims appeal success rates; and (iv) the estimated loss per repurchase or make-whole payment. For additional information on these assumptions, see "Managing Global Risk Credit Risk Consumer Mortgage Representations and Warranties" in Citi's 2011 Annual Report on Form 10-K.

During the first quarter of 2012, Citi recorded an additional reserve of $185 million relating to its whole loan sales repurchase exposure. The change in estimate for the first quarter of 2012 primarily resulted from an increase in the assumption related to the estimated number of loan documentation requests which has been, and Citi expects will likely continue to be, elevated as well as a slight increase in the estimate relating to repurchase claims as a percentage of loan documentation requests. The change in estimate also reflected a slight decline in the claims appeal success rate during the first quarter of 2012. Citi continues to believe the activity in, and change in estimate relating to, its repurchase reserve will remain volatile in the near term.

As referenced above, the repurchase reserve estimation process for potential whole loan representation and warranty claims is subject to numerous estimates and judgments. The assumptions used to calculate this repurchase reserve contain a level of uncertainty and risk that, if different from actual results, could have a material impact on the reserve amounts. For example, Citi estimates that if there were a simultaneous

10% adverse change in each of the significant assumptions noted above, the repurchase reserve in respect of whole loan sales repurchase would increase by approximately $602 million as of March 31, 2012. This potential change is hypothetical and intended to indicate the sensitivity of the repurchase reserve to changes in the key assumptions. Actual changes in the key assumptions may not occur at the same time or to the same degree (e.g., an adverse change in one assumption may be offset by an improvement in another). Citi does not believe it has sufficient information to estimate a range of reasonably possible loss (as defined under ASC 450) relating to its representations and warranties with respect to its whole loan sales.

Repurchase Reserve Private-Label Securitizations

Investors in private-label securitizations may seek recovery for losses caused by non-performing loans through repurchase claims or through litigation premised on a variety of legal theories. Citi does not consider litigation in estimating its repurchase reserve, but rather in establishing its litigation accruals. For information on litigation, claims and regulatory proceedings regarding mortgage-related activities, see Note 22 to the Consolidated Financial Statements.

The pace at which Citi has received repurchase claims for breaches of representations and warranties on its securitizations remains volatile, and has continued to increase. During the first quarter of 2012, Citi recorded a repurchase reserve of $150 million relating to private-label securitizations, which was recorded in Citi Holdings *Special Asset Pool* (see "Citi Holdings *Special Asset Pool*" above). To date, Citi has received repurchase claims at a sporadic and unpredictable rate, and most of the claims received are not yet resolved. Thus, Citi cannot estimate probable future repurchases from such private-label securitizations. Rather, at the present time, Citi views repurchase demands on private-label securitizations as episodic in nature, such that the potential recording of repurchase reserves is currently expected to be analyzed principally on the basis of actual claims received, rather than predictions regarding claims estimated to be received or paid in the future.

The table below sets forth the activity in the repurchase reserve for each of the quarterly periods below:

	Three Months Ended				
In millions of dollars	**March 31, 2012**	**December 31, 2011**	**September 30, 2011**	**June 30, 2011**	**March 31, 2011**
Balance, beginning of period	**$ 1,188**	$ 1,076	$ 1,001	$ 944	$ 969
Additions for new sales(1)	**6**	7	5	4	4
Change in estimate(2)	**335**	306	296	224	122
Utilizations	**(153)**	(201)	(226)	(171)	(151)
Balance, end of period	**$ 1,376**	$ 1,188	$ 1,076	$ 1,001	$ 944

(1) Reflects new whole loan sales, primarily to the GSEs.

(2) Change in estimate for the first quarter of 2012 includes $185 million related to whole loan sales to the GSEs and private investors and $150 million related to loans sold through private-label securitizations.

The following table sets forth the unpaid principal balance of loans repurchased due to representation and warranty claims during each of the quarterly periods below:

	Three Months Ended				
In millions of dollars	**March 31, 2012**	**December 31, 2011**	**September 30, 2011**	**June 30, 2011**	**March 31, 2011**
GSEs and others(1)	**$ 101**	$ 110	$ 162	$ 167	$ 74

(1) Predominantly all of the repurchases related to claims from the GSEs. Also includes repurchases pursuant to private investor and private-label securitization claims.

In addition to the amounts set forth in the table above, Citi recorded make-whole payments of $107 million, $148 million, $171 million, $121 million and $93 million for the quarterly periods ended March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively. Predominately all of these make-whole payments were to the GSEs.

Representation and Warranty Claims By Claimant

For the GSEs, Citi's response (i.e., agree or disagree to repurchase or make-whole) to any repurchase claim is required within 90 days of receipt of the claim. If Citi does not respond within 90 days, the claim is subject to discussions between Citi and the particular GSE. For other investors, the time period for responding to a repurchase claim is generally governed by the relevant agreement.

The following table sets forth the original principal balance of representation and warranty claims by claimant, as well as the original principal balance of unresolved claims by claimant, for each of the quarterly periods below:

	Claims during the three months ended				
In millions of dollars	**March 31, 2012**	**December 31, 2011**	**September 30, 2011**	**June 30, 2011**	**March 31, 2011**
GSEs and others(1)	**$ 1,291**	$ 712	$ 806	$ 952	$ 855
Mortgage insurers(2)	**23**	35	54	39	36
Total	**$ 1,314**	$ 747	$ 860	$ 991	$ 891

	Unresolved claims at				
In millions of dollars	**March 31, 2012**	**December 31, 2011**	**September 30, 2011**	**June 30, 2011**	**March 31, 2011**
GSEs and others(1)	**$ 2,019**	$ 1,536	$ 1,593	$ 2,015	$ 1,790
Mortgage insurers(2)	**8**	15	24	29	23
Total	**$ 2,027**	$ 1,551	$ 1,617	$ 2,044	$ 1,813

(1) Primarily includes claims from the GSEs. Also includes private investor and private-label securitization claims.

(2) Represents the insurer's rejection of a claim for loss reimbursement that has yet to be resolved and includes only GSE whole loan activity. To the extent that mortgage insurance will not cover the claim on a loan, Citi may have to make the GSE whole. Failure to collect from mortgage insurers is considered in determining the repurchase reserve. Citi does not believe inability to collect reimbursement from mortgage insurers would have a material impact on its repurchase reserve.

For additional information regarding Citi's potential mortgage repurchase liability, see Notes 1 and 21 to the Consolidated Financial Statements below.

***North America* Cards**

Overview

As of March 31, 2012, Citi's *North America* cards portfolio primarily consists of its Citi-branded cards and Citi retail services portfolios in Citicorp. As of March 31, 2012, the Citicorp Citi-branded cards portfolio totaled approximately $73 billion while the Citi retail services portfolio was approximately $37 billion. See "Consumer Loan Modification Programs" below for a discussion of Citi's significant cards modification programs.

North America Cards Quarterly Credit Trends Delinquencies and Net Credit Losses

The following charts detail the quarterly trends in delinquencies and net credit losses for Citigroup's *North America* Citi-branded cards and Citi retail services portfolios in Citicorp. The 90+ days past due delinquency rate in Citi-branded cards increased slightly on a sequential basis due to seasonal paydown of customer balances. The net credit loss rate in Citi retail services increased slightly quarter-over-quarter, which also largely reflected the seasonal paydown of customer balances. Citi expects some continued improvement in these metrics, although at a slower pace as the portfolios have largely stabilized.

***North America* Citi-Branded Cards Citicorp**

In billions of dollars

EOP Loans: 1Q11 $74.5 4Q11 $77.2 1Q12 $72.7

***North America* Citi Retail Services Citicorp**

In billions of dollars
EOP Loans: 1Q11 $37.4 4Q11 $39.9 1Q12 $36.7

North America Cards Loan Loss Reserve Coverage

At March 31, 2012, approximately $9.2 billion of Citi's total loan loss reserves of $29.0 billion was allocated to Citi's *North America* cards portfolios, representing over 17 months of coincident net credit loss coverage as of such date.

CONSUMER LOAN DETAILS

Consumer Loan Delinquency Amounts and Ratios

In millions of dollars, except EOP loan amounts in billions	Total loans(6) Mar. 2012	90+ days past due(1) Mar. 2012	Dec. 2011	Mar. 2011	30-89 days past due(1) Mar. 2012	Dec. 2011	Mar. 2011
Citicorp(2)(3)							
Total	**$ 286.2**	**$ 3,310**	$ 3,374	$ 4,086	**$ 3,726**	$ 4,072	$ 4,645
Ratio		**1.16%**	1.18%	1.51%	**1.31%**	1.42%	1.72%
Retail banking							
Total	**$ 140.0**	**$ 811**	$ 737	$ 801	**$ 1,032**	$ 1,040	$ 1,143
Ratio		**0.58%**	0.56%	0.65%	**0.74%**	0.78%	0.93%
North America	**40.6**	**260**	235	241	**183**	213	185
Ratio		**0.66%**	0.63%	0.75%	**0.47%**	0.57%	0.58%
EMEA	**4.5**	**62**	59	77	**92**	94	143
Ratio		**1.38%**	1.40%	1.71%	**2.04%**	2.24%	3.18%
Latin America	**26.1**	**244**	221	249	**323**	289	324
Ratio		**0.93%**	0.94%	1.15%	**1.24%**	1.22%	1.50%
Asia	**68.8**	**245**	222	234	**434**	444	491
Ratio		**0.36%**	0.33%	0.36%	**0.63%**	0.66%	0.76%
Cards							
Total	**$ 146.2**	**$ 2,499**	$ 2,637	$ 3,285	**$ 2,694**	$ 3,032	$ 3,502
Ratio		**1.71%**	1.72%	2.23%	**1.84%**	1.98%	2.37%
North America Citi-branded	**72.7**	**982**	1,016	1,435	**887**	1,078	1,335
Ratio		**1.35%**	1.32%	1.93%	**1.22%**	1.40%	1.79%
North America Citi retail services	**36.7**	**845**	951	1,110	**995**	1,175	1,277
Ratio		**2.30%**	2.38%	2.97%	**2.71%**	2.94%	3.41%
EMEA	**2.9**	**43**	44	60	**65**	59	78
Ratio		**1.48%**	1.63%	2.07%	**2.24%**	2.19%	2.69%
Latin America	**14.3**	**405**	412	445	**426**	399	454
Ratio		**2.83%**	3.01%	3.30%	**2.98%**	2.91%	3.36%
Asia	**19.6**	**224**	214	235	**321**	321	358
Ratio		**1.14%**	1.08%	1.22%	**1.64%**	1.61%	1.86%
Citi Holdings *Local Consumer Lending*(4)(5)							
Total	**$ 129.1**	**$ 5,829**	$ 6,007	$ 7,419	**$ 4,598**	$ 5,148	$ 6,283
Ratio		**4.85%**	4.79%	4.68%	**3.83%**	4.10%	3.96%
International	**10.2**	**428**	422	572	**519**	499	814
Ratio		**4.20%**	3.91%	3.16%	**5.09%**	4.62%	4.50%
North America	**118.9**	**5,401**	5,585	6,847	**4,079**	4,649	5,469
Ratio		**4.91%**	4.87%	4.87%	**3.71%**	4.05%	3.89%
Total Citigroup (excluding *Special Asset Pool*)	**$ 415.3**	**$ 9,139**	$ 9,381	$ 11,505	**$ 8,324**	$ 9,220	$ 10,928
Ratio		**2.26%**	2.28%	2.68%	**2.06%**	2.24%	2.55%

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

(2) The 90+ days past due balances for *North America Citi-branded* cards and *North America Citi retail services* 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 90+ days and 30-89 days past due and related ratios for *North America Regional Consumer Banking* exclude U.S. mortgage loans that are guaranteed by U.S. government entities since the potential loss predominantly resides within the U.S. government entities. The amounts excluded for loans 90+ days past due and (EOP loans) were $718 million ($1.3 billion), $611 million ($1.3 billion) and $352 million ($0.9 billion) at March 31, 2012, December 31, 2011 and March 31, 2011, respectively. The amounts excluded for loans 30-89 days past due (end-of-period loans have the same adjustment as above) were $121 million, $121 million and $52 million, at March 31, 2012, December 31, 2011 and March 31, 2011, respectively.

(4)

The 90+ days and 30-89 days past due and related ratios for *North America LCL* exclude U.S. mortgage loans that are guaranteed by U.S. government entities since the potential loss predominantly resides within the U.S. entities. The amounts excluded for loans 90+ days past due and (EOP loans) for each period were $4.4 billion ($7.7 billion), $4.4 billion ($7.9 billion) and $4.9 billion ($8.3 billion) at March 31, 2012, December 31, 2011 and March 31, 2011, respectively. The amounts excluded for loans 30-89 days past due (end-of-period loans have the same adjustment as above) for each period were $1.3 billion, $1.5 billion, and $1.4 billion, at March 31, 2012, December 31, 2011 and March 31, 2011, respectively.

(5)

The March 31, 2012, December 31, 2011 and March 31, 2011 loans 90+ days past due and 30-89 days past due and related ratios for *North America* exclude $1.3 billion, $1.3 billion and $1.5 billion, respectively, of loans that are carried at fair value.

(6)

Total loans include interest and fees on credit cards.

Consumer Loan Net Credit Losses and Ratios

	Average loans(1)	Net credit losses(2)		
In millions of dollars, except average loan amounts in billions	**1Q12**	**1Q12**	**4Q11**	**1Q11**
Citicorp				
Total	**$ 287.6**	$ 2,278	$ 2,423	$ 3,040
Ratio		3.19%	3.44%	4.56%
Retail banking				
Total	**$ 139.3**	$ 282	$ 309	$ 281
Ratio		0.81%	0.93%	0.95%
North America	**40.5**	62	70	88